Hindustan Unilever Limited

MAKING SUSTAINABLE LIVING COMMONPLACE

BUSINESS RESPONSIBILITY REPORT 2015-16

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MAKING SUSTAINABLE LIVING COMMONPLACE

HINDUSTAN UNILEVER BELIEVES THAT BUSINESSES THAT ARE DRIVEN BY A DEEPER SENSE OF PURPOSE CREATE MORE VALUE FOR SHAREHOLDERS.

The simple purpose of your Company is to make sustainable living commonplace. To achieve this purpose your Company embraced the Unilever Sustainable Living Plan (USLP) which is its blueprint for sustainable business. The Plan has three goals of improving health and well-being, reducing environmental impact and enhancing livelihoods. The USLP is helping your Company to decouple its growth from the environmental impact while increasing the positive social impact, driving profitable growth for your Company's brands, saving costs and fueling innovation.

USLP provides the bedrock on which the sustainability initiatives of your Company are built around the three goals mentioned above. USLP also contributes to activities listed in the 'National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs)' notified by the Ministry of Corporate Affairs, Government of India as well as activities listed in Schedule VII of Section 135 of the Companies Act, 2013.

This report describes activities of the Company under each of the nine principles as outlined in the NVGs.

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY		
1.	Corporate Identity Number (CIN) of the Company	L15140MH1933PLC002030
2.	Name of the Company	Hindustan Unilever Limited
3.	Registered address	Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099
4.	Website	www.hul.co.in
5.	E-mail id	levercare.shareholder@unilever.com
6.	Financial Year reported	1st April, 2015 to 31st March, 2016.
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	• 20231 Soaps • 20233 Detergents • 20236 Shampoos • 20235 Toothpastes • 20234 Deodorants • 20237 Cosmetics • 10791 Tea • 10792 Coffee • 10750 Packaged Foods (Including Frozen Desserts) • 27501 Water Purifiers
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	• Soaps & Detergents (including Skin Cleansing, Laundry and Household Care) • Personal Products [including Skin care, Hair care, Oral care, Deodorants and Colour Cosmetics] • Beverages [including Tea and Coffee)
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	None
	ii. Number of National Locations	• Registered Office: Unilever House, B. D. Sawant Marg, Chakala, Andheri (East), Mumbai - 400 099 • Research Centre: 64, Main Road, Whitefield P O, Bangalore - 560 066 • Regional Office (East): Brooke House, 9 Shakespere Sarani, Kolkata - 700 071 • Regional Office (West): Uttara, Plot No. 2, Sector No. 11, CBD Belapur, Navi Mumbai - 400 614 • Regional Office (North): Block No. A, Plot No. B, South City I, Delhi - Jaipur Highway, Gurgaon - 122 001 • Regional Office (South): 101, Santhome High Road, Chennai - 600 028 • Regional Office (Central): Office Space Number 101, 102, 103, 108 and 109, Shalimar Titanium, Vibhut iKhand, Gomti Nagar, Lucknow, Uttar Pradesh - 226010 For details of manufacturing locations, please refer to the page no. 201 and 202 of the Annual Report 2015-16.
10.	Markets served by the Company	India

(Rs. Lakhs)

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (Rs.):	21,639
2.	Total Turnover (Rs.):	31,42,527
3.	Total profit after taxes (Rs.):	4,08,237
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the company for last 3 financial years:	2.00% (Rs. 9,212 Lakhs)

5. List of activities in which expenditure in 4 above has been incurred

(Rs. Lakhs)

Sr. No.	CSR project/activity identified	Relevant Section of Schedule VII in which the Project is covered (Note 1)	Projects/ Programmes Coverage	Amount outlay (budget)	Amount spent on the project/programme		Cumulative expenditure upto 31st March, 2016	Amount spent Direct / through implementing agency
					Direct expenditure	Overheads		
1	Project Shakti	(ii)	PAN India	4,342	4,342	-	4,342	Direct
2	Swachh Aadat Swachh Bharat	(i)	PAN India	1,847	1,847	-	1,847	Direct
3	Water Conservation Project	(iv)	PAN India	2,125	1,773	352	2,125	Implementing Agencies (Multiple NGOs) (Note 2 [i])
4	Ashadaan	(iii)	Mumbai	172	172	-	172	Implementing Agency (Missionaries of Charity)
5	Project Prabhat	(x)	PAN India	508	484	24	508	Implementing Agency (Note 2 [ii])
6	Sanjivani	(i)	Assam	70	70	-	70	Direct
7	Ankur	(iii)	Assam	22	22	-	22	Direct
8	Solidaridad - Sustainability (Tea Procurement)	(iv)	PAN India	126	126	-	126	Implementing Agency (SREC)
	TOTAL			**9,212**	**8,836**	**376**	**9,212**	

Note 1:

(i) eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the 'Clean Ganga Fund' set up by the Central Government for rejuvenation of river Ganga;

(x) Rural development projects.

Note 2 [i] :

Foundation for Ecological Society, Mysore Resettlement and Development Agency, Society for Promotion of Eco Friendly Sustainable Development, Development Support Centre, Aga Khan Rural Support Programme (India), DHRUVA, Maharashtra Institute of Technology Transfer for Rural Areas (Khamgaon), Maharashtra Institute of Technology Transfer for Rural Areas (Nashik), Solidaridad Regional Expertise Centre, Watershed Organisation Trust (WOTR), Sanjeevani Institute for Empowerment and Development, Parmarth Samaj Sevi Sansthan, People's Action for National Integration, Professional Assistance for Development Action, International Finance Corporation, Samuha, Baif Institute for Rural Development, Parmarth Samaj Sevi Sansthan- Sumerpur, Sahjeevan, Integrated Rural Development Trust, Samaj Pragati Sahayog.

Note 2 [ii]:

Labournet Services India, Mann Deshi Foundation, TARA International.

SECTION C – OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	As on 31st March, 2016, the Company has 11 Subsidiary Companies. Hindustan Unilever Foundation and Bhavishya Alliance Child Nutrition Initiatives - both not-for-profit companies are engaged in promoting and implementing the Corporate Social Responsibility agenda and to work in the areas of social, economic and environmental concerns and contribute to the sustainability initiatives of the Company. In addition, Unilever India Exports Limited also contributes to the sustainability initiatives of the Company.
2.	Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary Company(ies)?	
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Code of Business Principles (CoBP) and the Code Policies set out the standards required from all the employees. Your Company also requires its third-party business partners to adhere to business principles consistent with the Company. These expectation are set out in Responsible Sourcing Policy and Responsible Business Partner Policy, which underpin the third-party compliance programme.

SECTION D – BUSINESS RESPONSIBILITY (BR) INFORMATION

DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR

The Corporate Social Responsibility Committee comprises Mr. O. P. Bhatt as the Chairman and Mr. Aditya Narayan, Dr. Sanjiv Misra, Ms. Kalpana Morparia, Mr. Sanjiv Mehta and Mr. P. B. Balaji as members of the Committee.

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on CSR activities of the Company;
- reviewing the performance of the Company in area of CSR;
- providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- monitoring CSR Policy of the Company from time to time;
- monitoring the implementation of the CSR projects or programmes or activities undertaken by the Company;

The Committee is responsible for the implementation of the CSR Policy of the Company. The details of the Committee members are as follows:

Name	Designation	DIN
Mr. O. P. Bhatt*	Independent Director	00548091
Mr. Aditya Narayan	Independent Director	00012084
Dr. Sanjiv Misra	Independent Director	03075797
Ms. Kalpana Morparia	Independent Director	00046081
Mr. Sanjiv Mehta	Chief Executive Officer & Managing Director	06699923
Mr. P. B. Balaji	Executive Director, Finance & IT and Chief Financial Officer	02762983

*Chairman

PRINCIPLE-WISE (AS PER NVGs) BR POLICY / POLICIES (REPLY IN Y/N)

Respect and integrity for its people, environment and other businesses have always been at the heart of your Company's Corporate Responsibility. Your Company's Corporate Purpose states that to succeed requires "the highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact."

This purpose is supported by the Code of Business Principles (CoBP) of the Company which describes the operational standards that everyone at Hindustan Unilever Limited follows.

The COBP and USLP framework supplement the requirements under the National Voluntary Guidelines and cover principles beyond the principles enunciated under the National Voluntary Guidelines.

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]	Principle 6: Environment [P6]
Principle 2: Products Lifecycle Sustainability [P2]	Principle 7: Policy Advocacy [P7]
Principle 3: Employees' Well-being [P3]	Principle 8: Inclusive Growth [P8]
Principle 4: Stakeholder Engagement [P4]	Principle 9: Customer Value [P9]
Principle 5: Human Rights [P5]	

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company seek to apply UN Guiding Principles on Business and Human Rights to underpin our own high standards of corporate behaviour. Unilever globally is a founding signatory of the United Nations Global Compact. The USLP Progress Report conforms to Global Reporting Initiative (GRI) indicators.								
4	Has the policy been approved by the Board. If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The CoBP and the USLP are frameworks adopted by Unilever globally and have been adopted by the Company.								
5	Does the Company have a specified Committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The CoBP is administered under the overall supervision of the Management Committee of the Company, headed by the Chief Executive Officer and Managing Director. The Audit Committee of the Board reviews the implementation of CoBP. The CSR Committee of the Board reviews the implementation of the USLP besides the scope that has been laid out for this Committee under the Companies Act, 2013.								
6	Indicate the link for the policy to be viewed online	USLP: https://www.hul.co.in/sustainable-living/ CoBP: https://www.hul.co.in/about/who-we-are/purpose-and-principles/ Supplier Code: https://www.hul.co.in/about/who-we-are/purpose-and-principles/Business-Partner-Code/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders'?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	-	Y	Y	Y	Y	-	-	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

GOVERNANCE RELATED TO BR

The Management Committee of the Company reviews complaints, issues and concerns received under the CoBP framework as also the implementation of the CoBP on a monthly basis. The Audit Committee of the Company reviews the implementation of the CoBP on a quarterly basis.

The Corporate Social Responsibility (CSR) Committee of the Company comprising a majority of Independent Directors is responsible for formulating, implementing and monitoring the CSR Policy of the Company under the guidance of the Board. The Committee meets at least twice a year to review progress on various sustainability initiatives, including progress under the USLP.

Your Company publishes an update on progress in India under USLP, every year. The USLP India Progress Report 2015 shall be available at https://www.unilever.com/sustainable-living/

In line with the requirements of the Companies Act, 2013, your Company has also published the CSR Annual Report, which forms part of the Directors' Report of the Company.

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Your Company has always believed in doing well by doing good. Your Company's founders were businessmen with social conscience addressing the social issues of their days. They laid a strong corporate governance foundation for your Company. Your Company has always lived upto this legacy and is committed to achieve the highest standards of corporate behaviour towards everyone your Company works with, the communities it touches and the environment on which it has an impact.

These standards are captured in your Company's CoBP, Responsible Sourcing Policy and Responsible Business Partner Policy. Everyone associated with your Company has to follow these principles in letter and spirit.

CODE OF BUSINESS PRINCIPLES

The Code of Business Principles comprises of thirteen principles covering business integrity and responsibilities relating to employees, consumers and the environment. All employees, suppliers, distributors and other third parties who work with your Company are expected to observe the CoBP. The copy of the CoBP is available on the website of the Company https://www.hul.co.in/about/who-we-are/purpose-and-principles/

Compliance with these principles is an essential element in your Company's business success. The Chief Executive Officer (CEO) through the Management Committee and Business / Unit Heads is responsible for ensuring that the Code is understood and implemented throughout the Company. Your Company periodically cascades the principles embodied under CoBP across the organisation.

Complaints, issues and concerns received under the CoBP framework are duly dealt with and reviewed by the CoBP Committee(s). During 2015-16, a total of 119 grievances and issues from employees and business partners were reported under the CoBP framework and the same were investigated and dealt with in accordance with the CoBP protocols of the Company.

Your Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or irregularity in the Company practices which is not in line with the CoBP. Your Company has provided dedicated e-mail addresses - whistleblowing.hul@unilever.com and cobp.hul@unilever.com for reporting such grievances. Alternatively, employees can also send written communication to the Company. Employees are encouraged to raise any concerns by way of whistle blowing without any fear or threat of being victimised.

The Company Secretary is the designated officer for effective implementation of the Policy and dealing with the complaints registered under the Policy. All cases registered under the CoBP and the Whistle Blower Policy of the Company are reported to the members of the Management Committee and are subject to review by the Audit Committee.

ALL EMPLOYEES, SUPPLIERS, DISTRIBUTORS AND OTHER THIRD PARTIES WHO WORK WITH YOUR COMPANY ARE EXPECTED TO OBSERVE THE CODE OF BUSINESS PRINCIPLES.

PRINCIPLE 2: PRODUCTS LIFECYCLE SUSTAINABILITY

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

It is important for your Company to manage the impacts of its product lifecycle for the success of USLP. The lifecycle of a product covers the entire value chain from sourcing of raw materials, to product manufacture, distribution, consumer use and disposal.

LIFECYCLE ASSESSMENT

Lifecycle assessment (LCA) is one of the many techniques your Company uses to understand the impacts of its products on the environment. Your Company uses LCA in three ways:

1. **New product design**
   When designing new products your Company routinely uses LCA to compare new and existing products and to measure the differences in their respective environmental profiles.

2. **Existing product assessment**
   Your Company conducts LCA on the existing products and ingredients to help identify improvement opportunities, to improve data quality and relevance to the Company's studies and also to support external communications.

3. **Science and methodological development**
   Your Company works on an ongoing basis with partners to develop scientific approaches for LCA. It actively engages in, and promotes the development of new science to improve both the robustness and scope of lifecycle-based approaches and assessment.

Useful information from LCAs is then embedded into the brand communication and used to inform consumers of the social and environmental benefits of the products. In many ways, LCA is the first step to create socially relevant brands.

SOCIALLY RELEVANT BRANDS

Your Company's brands are crafted with a purpose to make a positive difference to the society. These brands not just create consumer value but are the brands that consumers really value.

Brands such as Lifebuoy, Pureit and Domex have helped to improve health by promoting better health and hygiene habits. Lifebuoy runs one of the largest handwashing programmes in India and has scaled up its programmes year on year with around 65 million people benefiting from it since 2010. Pureit, your Company's innovative water purifier, helps prevent disease, ultimately helping to save lives. It has made purifiers more affordable to low-income consumers.

Your Company's recent 'Swachh Aadat, Swachh Bharat' programme is another example of how brands can play a role in the societal progress. The programme is in line with Government of India's Swachh Bharat Abhiyan (Clean India Mission) to promote good health and hygiene practices. Given the scale of challenges that India faces in the areas of WASH (water, sanitation and hygiene), this programme is an effort to help India realise the goals of Clean India Mission by 2019. It is a first-of-its-kind programme synergising the efforts of your Company's leading brands Lifebuoy, Domex and Pureit in the area of WASH. This programme promotes good health and hygiene practice by stressing the need to adopt three simple good habits ('Swachh Aadat') – washing hands five times a day, using a toilet for defecation and adopting safe drinking water practices.

Another socially relevant initiative is the Rin Career Academy led by your Company's detergent brand - Rin. The programme aims to inspire, educate and equip the youth from modest backgrounds with skills in English training, office dressing and interviewing. Read more about it in Principle 8 (Inclusive Growth).

For more information about such initiatives by your Company's brands visit https://www.hul.co.in/brands/brand-stories/ and read the Unilever Sustainable Living Plan India Progress Report 2015 shall be available on https://www.hul.co.in/sustainable-living

SUSTAINABLE SOURCING

While being socially relevant, the brands also have to be environmentally sustainable. Your Company has adopted sustainable farming as it is good for the environment and communities as well as your Company's products. It increases yields considerably, mitigates the effects of climate change and provides economic and social benefits to smallholder farmers and rural communities.It helps secure your Company's supplies, reduces risk and volatility in its raw material supply chain.

Your Company sourced 100% of tomatoes used in Kissan ketchup from sustainable sources in 2015. Till date, your Company has reached out to over 5,000 smallholder farmers who grow tomatoes on more than 7,000 acres of land. In 2015 alone, your Company reached out to 3,000 smallholder farmers who grew tomatoes on 4,000 acres of land. Your Company also shared knowledge and expertise with the farmers in sustainable agriculture practices in tomato cultivation which included latest agricultural techniques, irrigation practices and recommendation of the right type of seeds. Execution of good agricultural practices and adoption of drip irrigation systems saw farmers make significant savings in water, labour, pesticide and fertiliser, limiting any negative impact on the environment.

100% OF TOMATOES USED IN KISSAN KETCHUP WERE FROM SUSTAINABLE SOURCES IN 2015.

MANAGING PACKAGING WASTE

In 2015, your Company implemented innovative ways of reducing the resources used for the products' packaging. The focus was on using lighter, stronger and better materials that have a lower environmental impact. This led to over 10,000 tonnes of paper and board waste reduction; and over 840 tonnes of polymer waste reduction. Your Company has also been successful in reducing glass wastage in Foods packaging and wooden stick wastage in Ice Creams. Your Company is exploring alternative to plastic in packaging and also preparing modalities for collection of plastic waste in terms of the requirements of the Plastic Waste Management Rules, 2016.

PRODUCT SAFETY

It is your Company's endeavour to provide consumers and their families with products that are safe and of high quality. All of your Company's products are designed and manufactured to be safe for their intended use.

CoBP of the Company sets out the commitment to provide products and services which are safe and to innovate on the basis of sound science and technology and applying rigorous standards of product safety.

Unilever has a Safety & Environmental Assurance Centre (SEAC) which assures the safety and environmental sustainability of the products as well as the processes used to manufacture them. Your Company works closely on all safety and environmental assurance issues with SEAC. Your Company follows stringent guidelines on product quality and rigorous systems and processes are put in place to monitor and control quality of raw materials and products before finished goods are released to the market for consumer use.

In case consumers face any issues with the products they can reach the Company through Levercare - an initiative of the Company that allows consumers to register complaints and obtain information regarding the Company's products including selection of products among the range of offerings, product benefit, direction for use and safety of ingredients used in the products.

PRINCIPLE 3: EMPLOYEES' WELL-BEING

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

Your Company encourages employees to live healthy and work safely, both at work and outside it. The aim is to create a working environment supportive of employees' personal lives, while meeting your Company's business needs. Healthier employees are more motivated and more productive.

OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING

Your Company aims to prevent work-related illness and occupational diseases as well as ensure good ergonomics at the workplace.

The CEO heads the Central Safety, Health & Environment Committee, which reviews the health & safety performance of the Company. Safety performance is monitored through a set of key performance indicators and reviewed regularly by the Company's management committee.

By end of 2015, your Company achieved over 70% reduction in Total Recordable Frequency Rate (TRFR) compared to 2008 baseline for accidents in the factories and offices.

This has been achieved through rigorous deployment of Unilever's global BeSafE initiatives, implementation of advanced equipment safety standards and adoption of DuPont Behavioural Safety methodology across the operations.

LAMPLIGHTER – THE FLAGSHIP HEALTH AND WELL-BEING PROGRAMME

The Lamplighter programme was implemented a decade ago to improve the nutrition, fitness and mental resilience of employees. A dedicated Medical & Occupational Health (M&OH) Team along with the Human Resource department of the company has strategically developed this programme to address the health risks in employees of the company.

In 2015, your Company added another dimension to the health and well-being of the employees through the "Thrive" programme. It is based on the four pillars of good health identified by Unilever, that are important to survive in a VUCA (volatile, uncertain, complex and ambiguous) world - Physical, Mental, Emotional & Purposeful Well-being. As part of this, the HR & M&OH Teams conduct Thrive Workshops which focus on developing mental resilience, energy and focus critical for both the employee and the organization. Around 3,000 employees have attended Thrive workshops.

GROOMING A TEAM FIT FOR GROWTH

Many grooming and capability workshops and programmes are implemented across the organization to build capability and leadership among your Company's people.

- **Sparkle:** 'Sparkle' is a technology tool which assists in managing capability & talent for all factory workers in supply chain units. It is a blue collar skills management system that works using the system of standard jobs. Sparkle performs evaluation and assessment, training need analysis, and training monitoring. This project was picked as the best practice and implemented globally by Unilever.
- **Unilever Future Leaders Programme:** With its robust talent systems and processes, your Company identifies talent early and invests to build capability. The flagship Unilever Future Leaders Programme (UFLP) is a highly sought after programme by fresh recruits. It is acknowledged within and outside Unilever as the best programme of its kind.
- **70:20:10 Capability Building:** Your Company's holistic 70:20:10 capability building approach ensures blended learning with 70% capability built on the job through live assignments, 20% through coaching, short term projects and exposures and 10% through classroom, virtual and e-learning. Over and above these, there are leadership programmes led by leaders through the year to build functional capabilities.
- **People Planning Processes:** Your Company has a rigorous and transparent people planning process which is owned by leaders at each level who review and assess talent on both the "What" and the "How'" of performance through an objective process. Capability building and career plans for talent form an integral part of this process.
- **Growth through Diversity of Experience:** There is a clearly defined career philosophy which revolves around job rotation and diversity of experiences at all stages of the individual's career. Internationalisation is also built in and currently around 150 managers of the Company have been expatriated to other Unilever countries.

70% REDUCTION IN TRFR COMPARED TO 2008 BASELINE FOR ACCIDENTS IN THE FACTORIES AND OFFICES.

OPPORTUNITIES FOR WOMEN

Your Company owns the first ever all-women run factory in the FMCG industry. The 100% women employee factory at Haridwar is a testimony to your Company's 'diversity' initiatives which seek to promote gender-balance and accelerate the advancement of high-potential women talent in the Company. The final on-boarding of the all female team in this factory was done in December 2014. Prior to that, comprehensive training was completed for the team to ensure smooth transition. The training included technical classroom sessions by an external ITI (Industrial Training Institute) professor and four weeks of on-the-job training to ensure business continuity. The 'all women team' delivered success in the first quarter of taking over operations.

In addition, your Company has a well-defined agile working policy which includes work from home, flexi-timing and hot desking. The thrust is to build an agile and inclusive organization that celebrates differences and leverages the diversity.

HUL'S 100% WOMEN EMPLOYEE FACTORY AT HARIDWAR IS A FIRST IN INDIAN FMCG INDUSTRY.

AFFIRMATIVE ACTION AND PREVENTION FROM SEXUAL HARASSMENT

Your Company has a policy on affirmative action and a policy on prevention of sexual harassment to ensure a harassment free workspace for the employees. Sexual harassment cases are dealt as per the Company policy on prevention of sexual harassment and the CoBP. All the employees are communicated on regular basis on the various aspects of prevention of sexual harassment at work through e-articles and other means of communication.

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has constituted Internal Complaints Committees (ICC). The Company has designated external independent member as a Chairperson for each of the Committee. During the year 2015-16, two complaints with the allegation of sexual harassment have been filed with the Company and the same have been dealt with and closed under the provisions of the Act.

Awareness building training programmes (web-based and physical) are carried out to raise awareness on the issue of sexual harassment of women at workplace: During the year,

- A web based training module on "Respecting People" was assigned to all employees.
- All New Joiners/ Trainees/Interns were inducted on the subject of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013.
- In addition to this, a web-based training module on Gender Sensitisation / Prevention of Sexual Harassment of Women at Workplace was re-assigned to identified employees.
- Your Company conducted a self-defence programme for women employees who have to work in the market and are often exposed to safety threats. The programme was conducted in three phases that covered end-to-end personal safety paradigms starting from pre-incident phase, incident phase to the post incident phase.
- Inside offices, employees are discouraged from working beyond 8.30 pm. Any instances of late working are detected by the card reader and sent to the employee's Line Manager automatically. In such circumstances where late working becomes unavoidable, 1) Women are required to take a drop home from a company approved car vendor only 2) A male colleague must drop the woman home, if such a car is unavailable 3) A woman has to call her Line Manager upon reaching home to inform that she has reached home safely.

BUILDING THE EMPLOYER BRAND

For the fifth year in a row, your Company was recognised as the 'No. 1 Employer of Choice' among students on campus in the Nielsen survey. In addition, your Company retained the 'Dream Employer' status for the seventh consecutive year and continued to be the top company considered for application by business school students.

Your Company's Facebook page 'Unilever Diaries' has over 5,00,000 fans and helps the Company deepen its engagement with the extended student community. This in turn helps the Company in strengthening its brand image among students.

FAIR LABOUR PRACTICES

Your Company has an excellent record on industrial relations and since 2015 has maintained a record of zero loss of man days due to industrial unrest. Your Company currently has around 3,800 employees who are employed on contractual / temporary basis.

FREEDOM OF ASSOCIATION, PARTICIPATION AND COLLECTIVE BARGAINING

The rights of workers to freedom of association and collective bargaining are recognised and respected. Workers are not intimidated or harassed in the exercise of their right to join or refrain from joining any organisation.

There are 105 employee associations in the Company. Nearly 11,000 permanent employees are members of these associations. During the last year, your Company entered into long term settlements with around 850 employees covering eight factories / branches across India.

There are over 122 permanent female blue collar employees and over 21 permanent blue collar employees with disabilities in your Company's factories.

GRIEVANCE REDRESSAL

The CoBP and Whistle Blower Policies provide for reporting in confidence of issues like child labour, sexual harassment etc. There is a dedicated e-mail address and a 24 hour hotline to which all whistle blower complaints can be sent. The identity of the complainant is always protected. Your Company has put in place systems and mechanisms to ensure non-retaliation and non-victimisation of the complainant.

All complaints, including complaints of sexual harassment, received are dealt as per the CoBP protocols and applicable laws. The total number of complaints received has been reported under Principle 1. During the year, there have been no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED.

Stakeholder engagement helps your Company in decision making, in delivering USLP commitments, in strengthening relationships and succeeding in the business.

Your Company actively engages with governments, inter-governmental organisations, regulators, customers, suppliers, investors, civil society organizations and the consumers to create an environment that is supportive of solutions.

CONSUMERS

As the country's leading consumer goods company, your Company constantly seeks to understand what motivates the consumers, how to inform them and how to engage with them.

- **Winning In Many Indias:** Your Company undertook the ambitious transformation agenda of 'Winning In Many India's' (WIMI) to leverage the diversity of people, culture, habits, economics and demographics that exists across India. 2015 has been a year of strengthening the WIMI thinking across markets, embedding it into your Company's daily ways of working. This helped the Company to move the needle on quality of servicing and in-market execution by getting closer to the customers, shoppers and consumers. This approach has strengthened your Company's connect with customers, consumers and shoppers across geographical clusters, and will be a source of continuing competitive advantage.

- **Dial Up The Big Q:** Your Company has been a thought leader in the area of big data and analytics as a tool to drive sustainable growth. Using the 115 million transactions captured every month, your Company uses intelligent analytics at the back end, to deliver better on shelf availability in stores. Your Company will continue to invest in the power of knowledge and big data, to stay at the forefront of execution, and enhance the impact and effectiveness of the execution. Your Company also focused on over 1,00,000 select high throughput stores, and significantly increased its presence and impact in these stores.

- **Social Initiatives:** The Sales and Marketing teams continued the journey of executing the mass contact programme. Through this programme, your Company reached more than 2.5 million rural consumers and contacted 0.8 million school children, driving the message of health and hygiene through the Lifebuoy handwashing programme. This has become a key part of the Company's effort on supporting the Swachh Bharat Initiative. This programme is now active in over 8,000 villages across the country.

- **Building Brands In Store:** Your Company has put in place the plan of building brands in stores in the Modern Trade environment, and intends to scale up the initiative based on the learnings. Your Company saw strong growth across all key modern trade retail partners, driven by strong joint business plans.

Your Company has made significant investment in capability building in e-commerce, and is committed to being the best FMCG player in e-commerce. A strong high quality team with diverse talent has been put in place and they are working closely with key e-commerce partners to create competitive advantage for the business.

- **Levercare:** In another endeavour to connect with the Consumers and provide them with a better service your Company has Levercare - a toll free number, email and a postal address where Consumers can reach the Company directly. Levercare is a win-win for both the consumer and the Company. It gives consumers the promise of better service and provides the Company the opportunity to connect with consumers directly and understand their needs, expectations and aspirations. It helps consumers voice their queries, grievances, praise and offer suggestions / ideas. The helpline provides a single view of the Consumer and subsequent insights to positively impact the Company.

Besides these, your Company's service delivery standards improved steadily with Customer-Case Fill-On-Time increasing to 95%. This was achieved through a segmented approach and a fit-for-purpose strategy for priority elements of the Supply Chain. Your Company also continued to strengthen the Sales and Operation Planning (S&OP) and Innovation Process Management (IPM).

CUSTOMER-CASE FILL-ON-TIME INCREASED TO 95%

There has been a significant improvement in innovation OTIF (On Time in Full) with more than 40 innovation networks being executed during the year, touching about 60% of the product portfolio. The focus on bigger and faster innovation and capability development has significantly helped the Company to launch innovations first time right.

CUSTOMERS

Your Company has undertaken some important initiatives like establishing call centres, creating joint business plans etc during the year to become more customer centric and win in the marketplace. Read details on this in Principle 9 (Customer Value).

SHAREHOLDERS AND INVESTORS

It has been your Company's constant endeavour to provide best of the services to its valuable shareholders and maintain highest level of corporate governance in the Company. In order to improve and constantly meet higher service standards your Company regularly interacts with its shareholders and investors through results announcements, annual report, media releases, Company's website and subject specific communications.

The Annual General Meeting of shareholders is an important annual event where the shareholders of the Company come in direct communication with the Board of Directors and the management. The Board engages with shareholders and answers their queries on varied subjects.

Your Company's Investor Service Department regularly engages with the shareholders to resolve queries, grievance, if any, and provide guidance for shares / shareholder related matters. Your Company has a designated e-mail id for shareholders.

The Investor Relations team also interacts regularly with investors and analysts, through quarterly results calls, one-on-one and group meetings, participation at investor conferences and the annual investors meet.

- **Investor Relations App:** Company was in fact the first in the industry to communicate with, and educate analysts around the impact of IND AS - the new accounting standards, on its financial statements. Your Company's Investor Relations philosophy is focused on delivering quality Investor Relations practices built on a strong foundation of transparency and sound governance.
- **Online Annual Report :** Company has a Mobile Investor Relations App, for android as well as iOS platforms, for smart phones and tablets, through which, investors can access details such as share price information, quarterly results, presentations, press releases and annual reports on the click of a button.

Your Company has also introduced an interactive Online Annual Report. This provides flexibility to readers to customize the report. They can include only the pages that interest them and also download Balance Sheet, P&L account, and notes to accounts in pdf and excel versions. Investors also have the option to save pages of their interest to a briefcase, and download them later.

Your Company has continued to maintain high standards on Investor Relations and has been recognized on various counts. In 2015, the HUL Investor Relations Team was recognised by the sell side analysts to be amongst the Top 3 in the 'Best IR Team' and 'Best Analyst Day' Rankings across Asia in the Consumer Sector, as published by 'Institutional Investor, New York'. Your Company has been recognised for its IR practices at various other forums over the years.

GOVERNMENT

All interactions with the Government, legislators and regulators are done by duly authorised and appropriately trained individuals with honesty, integrity, openness and in compliance with local laws and in accordance with the CoBP and Policy.

NGOs

Your Company engages with a number of NGOs through Hindustan Unilever Foundation (HUF). The water conservation programme undertaken through collective action and in partnership with several NGOs, communities, other co-funders and partners across India has created cumulative and collective potential of 200 billion litres.

MEDIA

Your Company engages with media to keep its stakeholders updated about the developments in the Company. Regular interactions with the electronic, print, television and online media take place through press releases, media events and during the financial results announcements.

EMPLOYEE ENGAGEMENT

Your Company has several communication processes instituted to ensure a two-way communication channel with the employees. These include:

- **CEO Report back:** Quarterly performance update from the CEO to all employees.
- **Annual Review:** All managers are invited to the Annual Review which is conducted in four major metros.
- **Others:** The Company has other in-house communication channels, which help employees to connect, bond, inspire, express and celebrate their achievements.

OTHER KEY OPINION FORMERS

Every year, the Company organises an event and provides update on the progress of the USLP to various Key Opinion Formers representing various stakeholder groups such as NGOs, IGOs, Government bodies, industry bodies and consumer organizations.

PRINCIPLE 5: HUMAN RIGHTS

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company's CoBP upholds the principles of human rights and fair treatment. The Code describes the operational standards the Company follows and supports the approach to governance and corporate responsibility. It provides that the Company conducts its operations with honesty, integrity and openness and with respect for human rights and interests of employees.

FIRST REPORT ON HUMAN RIGHTS

During the year, Unilever released its first report outlining the work on human rights, in which Unilever shared some of the successes, challenges and the lessons learned in the area of human rights.

The report, Enhancing Livelihoods, Advancing Human Rights -[https://www.unilever.com/Images/slp-unilever-human-rights-report-2015_tcm244-437226_1_en.pdf], outlines Unilever's goal not only to respect human rights but to actively advance them across all areas of the business.

It describes how Unilever is embedding respect for human rights in everything it does and highlights key areas of progress, including Unilever's work to empower women, progress in the fight against sexual harassment and addressing health and safety issues across the supply chain. It also describes key areas of focus for the future, which includes human rights issues beyond first-tier suppliers, working conditions for migrant labour and continuing collaboration with other organisations in order to influence systemic change.

RESPONSIBLE SOURCING GUIDE FOR SUPPLIERS

Unilever's 'Understanding The Responsible Sourcing Audit (URSA) Guide' for Suppliers reinforces the principles of Human Rights and Labour Rights for all HUL suppliers. In accordance with this guide, all suppliers are expected to adopt practices that are consistent with that of the Company. The URSA can be accessed at - https://www.unilever.com/Images/unilever-responsible-sourcing-policy_tcm244-423309_en.pdf

In a nutshell, your Company seeks to uphold and promote human rights in three ways;

- In its operations, by upholding values and standards;
- In relationships with business partners; and
- By working through external initiatives such as the United Nations Global Compact.

PRINCIPLE 6: ENVIRONMENT

BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

By 2020 your Company's goal is to halve the environmental footprint of the making and use of its products while growing its business.

It makes business sense to reduce the business risk by securing sustainable sources of supply for raw materials, to cut costs through reducing packaging materials and higher manufacturing efficiencies, and to appeal to more consumers with sustainable brands.

The key achievements of your Company in the area of environment sustainability are given below. Detailed progress is elaborated in the USLP India Progress Report 2015 which shall be available on https://www.unilever.com/sustainable-living/

- in manufacturing, per tonne of production in India - against the baseline of 2008, your Company achieved 42% reduction in CO_2 emissions, 48% reduction in water usage and 92% reduction in disposed waste generation.
- Your Company created 200 billion litres of water conservation potential through Hindustan Unilever Foundation (HUF) partnerships.

200 BILLION LITRES OF WATER CONSERVATION POTENTIAL WAS CREATED THROUGH HUF PARTNERSHIPS

- 398 tea estates were certified as sustainable estates by Rainforest Alliance and trustea in India.
- 100% tomatoes used in Kissan Ketchup were sourced from sustainable sources.

MONITORING PROGRESS

The progress on sustainability is monitored at different levels as mentioned below:

- **Sustainability Governing Council:** The top leadership from respective business verticals and functions constitute the Governing Council. The Company has a governance mechanism and score card to monitor the progress on USLP commitments. The Council reports the progress to the Management Committee and CEO on a quarterly basis

- **Environment Sub-Committee:** This is led by the Executive Director, Supply Chain, and has members from various departments like Safety and Environment, Finance, Engineering, R&D and Legal. The team engages every two months to review environment performance and define the implementation strategy.

RISK ASSESSMENT

All the emissions / waste generated by your Company are generally within the permissible limits given by respective state PCB (Pollution Control Board).

The Pond's HLL ex-Mercury Employees Welfare Association, representing the ex-employees of the former thermometer factory at Kodaikanal, had filed a petition in the Hon'ble Madras High Court in February 2006 seeking economic rehabilitation. This petition was filed more than four years after your Company had made a full and final settlement with the ex-employees in November 2001. The severance package offered to the ex-employees at the relevant time was significantly higher than the statutory requirement. The ex-employees were also offered alternative jobs in another unit of the Company, however, they opted out of service. Several expert studies have been conducted since the factory's closure and all have concluded that our ex-employees were not harmed by working in the former thermometer factory at Kodaikanal.

During the year, your Company has signed a Memorandum of Settlement with the Pond's HLL ex-Mercury Employees Welfare Association, representing the ex-employees of the former thermometer factory in Kodaikanal. The settlement has been entered into on humanitarian considerations to put an end to this long standing matter pending in the Court for several years and also is in line with the suggestion of the Hon'ble Madras High Court. The Memorandum of Settlement reached was recorded in an order passed by the Hon'ble Madras High Court. As part of the agreement, your Company, with an objective to ensure long term wellbeing of its former workers, has agreed to provide ex-gratia payments to 591 former workers / association members and their families towards livelihood enhancement projects and skill enhancement programmes.

Following the settlement with former workers in Kodaikanal, your Company continues to actively engage with the Tamil Nadu Pollution Control Board (TNPCB) on the issue relating to soil remediation and is committed to address the clean-up of the former thermometer factory site.

PRINCIPLE 7: POLICY ADVOCACY

BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

Your Company has set out to make a transformational difference to those big issues that matter most to its business. By combining its own actions with external advocacy on public policy and jointly working with partners, your Company is seeking to create a transformational change, This change is fundamental change to whole systems, not simply incremental improvements.

The three focus areas where your Company has the scale, influence and resources to make a big difference are:

- Eliminating deforestation from commodity supply chains by 2020, to help combat the threat from climate change.
- Making sustainable agriculture the mainstream, and so increase food yields and enhance the livelihoods of smallholder farmers.
- Working towards universal access to safe drinking water, sanitation and hygiene.

To achieve change at scale, your Company needs to go beyond what it can achieve in its own operations and with its suppliers. The two principal mechanisms to do this are advocacy on public policy and partnership working. Your Company is stepping up its engagement with Governments, NGOs and others in the industry and forming partnerships to demonstrate the change it wants to see.

Your Company's approach to advocacy is guided by the CoBP. The Code provides that any contact by the Company or its agents with Government, legislators, regulators or NGOs must be done with honesty, integrity, openness and in compliance with applicable laws. Only authorised and appropriately trained individuals can make interactions with the bodies mentioned above. Prior internal approval is required for initiating any contact between the Company, its representatives and officials, aimed at influencing regulation or legislation.

Your Company engages with industry bodies and associations to influence public and regulatory policy in a responsible manner. Many of the Board and senior leadership team members are associated with several global bodies like the World Economic Forum (WEF), United Nations Global Compact (UNGC), apart from the leading business Chambers in India.

The Company is represented in key industry and business associations which include the Confederation of Indian Industry (CII), the Federation of Indian Chamber of Commerce and Industry (FICCI), the Associated Chamber of Commerce and Industry of India (ASSOCHAM), the Bombay Chamber of Commerce and Industry (BCCI) and the Advertising Standards Council of India (ASCI). Your Company participates in multi-stakeholder debates and, when relevant, responds to public consultations.

Some of the key issues on which your Company engaged with the Government in 2015-16 include:

- Plastic waste management – advocacy against complete banning of Multilayer Packaging
- Building greater awareness of handwashing practices to reduce diarrhoea
- Seeking action against parallel imports of goods in the country
- Seeking interventions by Tea Board for maintaining sustainable tea production
- Seeking less time consuming procedures for effecting Related Party Transactions
- Offering partnership to the Government for Swachh Bharat Abhiyan
- Consumer Protection Bill – seeking support for implementing 'workable' provisions

PRINCIPLE 8: INCLUSIVE GROWTH

BUSINESS SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Inclusive business for the Company means creating economic well-being through employment, skill improvement and access to markets for the community we operate in. An inclusive approach makes sense for your Company's business. It expands the markets for the products and increases the resilience of your Company's business model.

Your Company's inclusive growth approach focuses on improving the livelihoods of smallholder farmers and the incomes of small-scale retailers and increasing the participation of young entrepreneurs in its value chain.

EDUCATING THE YOUTH THROUGH RIN CAREER ACADEMY

Your Company's Laundry brand Rin launched Rin Career Ready Academy with the aim to inspire, educate and equip the youth from modest backgrounds with skills in English training, office dressing and interviewing. Launched in the states of Tamil Nadu, Andhra Pradesh and Telengana in June 2015, the programme allowed all the participants to take the course by simply giving a missed call. Mobile was the key medium for administering the course. The course and the talk-time was provided completely free by Rin, ensuring the only investment the participant made was of time. Deserving individuals were put up for a more intensive face to face three week course, designed to suit their needs. By end of 2015, over two lakh people were reached through the initiative.

EMPOWERING COMMUNITIES THROUGH PRABHAT

'Prabhat', meaning dawn in Hindi, is a unique programme of your Company that weaves across all the three pillars of USLP and contributes to – Swachh (health & hygiene), water conservation and enhancing livelihood initiatives. The focus is on areas around the manufacturing sites of your Company. In 2015, 27 manufacturing locations were covered reaching out to 1.38 lakh people since inception through the following programmes:

- **Livelihood and Out-Reach Centers:** 67 livelihood and out-reach centers offered 18 employable vocational courses to over 11,000 beneficiaries across 16 locations. Sunsilk kits were provided to the certified beneficiaries of the beauty course to further aid to their employability.
- **Prabhat's first 'Corporate School On Wheels':** A fully customized mobile training bus with beauty, tailoring and computer labs was launched for underprivileged communities, especially women residing in Chiplun, Maharashtra.
- **'Swachh' initiative:** Prabhat's Swachh initiative aligned to the health and hygiene pillar of the USLP focused on supporting communities to adopt good hygiene practices.
- **Water conservation:** Facilitated by Hindustan Unilever Foundation and implemented by reputed NGO partners across nine supply chain locations.
- **Prabhat 'Love of Reading Libraries':** Initiated at 102 schools around 26 manufacturing locations to encourage the habit of reading in every child and give them the chance to read a variety of books.

IMPROVING LIVELIHOODS OF SMALLHOLDER FARMERS

Your Company is associated with more than 21,000 smallholder farmers through its supplier partners training them on good agricultural practices to improve their livelihood.

Your Company has supported and encouraged farmers to adopt advanced technologies for better yields with regular training programmes and field monitoring. Further, your Company has educated the farmers on good agricultural practices like drip irrigation, nutrient management, pest and disease management.

SUPPORTING SMALL-SCALE RETAILERS

Your Company's Kwality Wall's mobile vending operation has provided entrepreneurship opportunities to over 7,500 people across India. In 2015, your Company introduced 'I am Wall's' programme as part of the mobile vending initiative. The programme helps vendors to become self-sufficient micro-entrepreneurs selling ice creams on the move. It equips people with skills such as sales, customer service and problem solving and also provides many young people with work experience as they step into the job market. In most cases, each vendor can make Rs. 7,000-8,000 a month. Some of our vendors have now become distributors themselves, managing Rs. 2-10 crore in the ice cream business and earning upwards of Rs. 1,00,000 per month.

EMPOWERING WOMEN MICRO-ENTREPRENEURS

The Shakti programme is an initiative that catalyses rural affluence by providing livelihood-enhancing opportunities to nearly 70,000 active women micro-entrepreneurs (known as 'Shakti Ammas'). They distribute Company's products in more than 1,62,000 villages, and reach over 4 million rural households. In 2010, your Company extended Project Shakti to include 'Shaktimaans'. They are typically the husbands or brothers of Shakti Ammas who sell the products on bicycle to surrounding villages, covering a larger area than Shakti Ammas can do on foot. There are 48,000 Shaktimaans supporting Shakti Ammas.

PRINCIPLE 9: CUSTOMER VALUE

BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

Your Company's business partners and suppliers are extremely important for the Company's operations. They ensure that the Company units are able to manufacture, market and continuously improve the products it sells every day.

Your Company's strong distribution network comprises millions of outlets serviced by over 2,500 stockists and associates who helped deliver Company's products.

Your Company has undertaken some important initiatives to become more customer centric and win in the marketplace. These initiatives include:

- **Call centres:** Establishing dedicated call centres for distributors as well as retailers to reach out to the Company. The call centres set up for retailers have helped many of your Company's traditional trade customers reach out directly to the Company. Your Company receives more than 3,000 calls every month from distributors and retailers. The calls received from retail outlets provide useful insights and help the Company understand issues and opportunities in the marketplace better and address them effectively.
- **Partner of choice:** Your Company saw strong growth across all key modern trade retail partners, driven by strong joint business plans. The e-commerce opportunity is evident, and growing exponentially in India. Your Company has made significant investment in capability building in e-commerce, and is committed to being the best FMCG player in e-commerce. A strong, high quality team with diverse talent has been put in place and they are working closely with all key e-commerce partners to create competitive advantage for the business.

RESPONSIBLE MARKETING AND COMMUNICATION

Your Company constantly tries to provide value to its customers and engage with its consumers in a responsible way. One way it ensures responsible communication to its consumers is by clearly defining marketing and communication guidelines to all forms of advertising.

Your Company is aware that its marketing and advertising can influence consumer choices. So it is important to advertise and market the products responsibly. There are clearly defined marketing and communication principles which provide guidance to the brand managers. Your Company's commitment applies to all forms of advertising and marketing, including but not limited to TV, radio, print advertising, internet (third-party and company-owned websites), social media, apps, online games, direct marketing, product packaging, labeling, point of sale materials and all other forms of communication. Your Company ensures that all the claims made in advertising are backed by sound scientific substantiation and that all such communication passes the test of being 'legal, decent and honest'.

Your Company has four clearly defined principles that guide its communications with consumers:

- Your Company is committed to building trust through responsible practices and through transparent communication – both directly to consumers and indirectly through other key stakeholders and thought-leaders.
- It is your Company's responsibility to ensure that its products are safe and that the Company provides clear information on their use and any risks that are associated with their use.
- Your Company fully supports a consumer's right to know what is in the products and is transparent in terms of ingredients, nutrition values and the health and beauty properties of its products.
- Your Company uses a combination of channels, which includes product labels, websites, care-line phone numbers and/or consumer leaflets to communicate openly with its consumers.

Your Company also supports the development of self-regulatory codes for all its marketing and advertising activities

and applies these codes across the businesses. Your Company is one of the founder members of the Advertising Standards Council of India (ASCI), a self regulatory body which has developed principles and codes in the area of advertising and marketing. During the year, 36 complaints were filed with ASCI against advertisements made by us, all of which were closed and no complaints were pending at the end of the year.

OMBUDSMAN

Your Company has appointed five retired Judges of different High Courts, one in each branch, to act as Ombudsman to hear the Company's consumers and customers in a bid to resolve issues that come up with customers, consumers, service provider etc. The Ombudsman independently reviews the merits of the complaint and decides on the issue. The Company has taken the view that the decisions arrived at such dispute resolution meetings, while being fully binding on the Company, may not be binding on its consumers and customers and if they choose to continue with litigation, they are free to do so. Your Company has been impleaded in certain legal cases, including those relating to consumer / customer disputes. At the end of the year, there were 72 consumer cases pending in various forums.

LABELS AND PACK INFORMATION

All Company products comply with the applicable regulations such as the Drugs and Cosmetics Act, Legal Metrology Act, Bureau of Indian Standards Specifications, Trademark Act and Copyright Act, Food Safety and Standards Act, Tea Act, Tea Board Regulations, for Labels and Pack Information. The food and beverage products also carry a nutritional information table on the back of pack in compliance with local legislation. Your Company has initiated Guideline Daily Amount (GDA) labelling on its packs in 2014, where applicable and legally allowed in accordance with industry agreements.

In addition to national laws and self-regulatory codes in India, your Company also applies Unilever's principles to the marketing and advertising for all the food and beverage products directed at children. These principles require that marketing practices:

- do not convey misleading messages
- do not undermine parental influence. Advertisements always show parents as gatekeepers to the product being consumed
- do not encourage pester power
- do not suggest time or price pressure
- do not encourage unhealthy dietary habits
- do not blur the boundary between promotion and content.

Your Company does not advertise food and beverage products to children under 12 years and does not make communication related to food and beverage products in primary schools, except for products which fulfill specific nutrition criteria that are based on accepted scientific evidence and/or applicable under national and international dietary guidelines.

NOTES

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FOR FURTHER INFORMATION ON OUR ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE, PLEASE VISIT OUR WEBSITE:

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