

Annexure to the Report of Board of Directors (Continued)

- Your Company is committed to building trust through responsible practices and through transparent communication – both directly to consumers and indirectly through other key stakeholders.
- 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, careline phone numbers and leaflets to communicate openly with its consumers.
- Your Company also supports industry self-regulation and the development of self-regulatory codes for all its marketing and advertising activities and applies these codes across its businesses. Your Company is one of the founder members of 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, 60 complaints were filed with ASCI against advertisements made by your Company.
- Your Company has certain legal cases, including those relating to consumer / customer disputes. At the end of the year, there were 62 consumer cases pending.

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.

As part of Guideline Daily Amounts (GDA) labelling, 100% of your food and beverage products included energy per portion information on the front of the pack and percentage GDA for five

nutrients on the back of the pack*. In addition to national laws and self-regulatory codes in India, your Company also applies Unilever's principles to the marketing and advertising of all its food and beverage products directed at children (below 12 years). 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 'bester power'
- Do not suggest time / sense of urgency or price minimisation pressure
- Do not encourage unhealthy dietary habits
- Do not use broadcast or print media personalities in a way that obscures the distinction between programme or editorial content or commercial promotion

All Marketing Communications directed to children between six (6) and twelve (12) years of age meets Unilever's Highest Nutritional Standards and / or where applicable, nutrition criteria agreed as signatories to India Pledge or any binding criteria set by public authorities.

Your Company is also a signatory of the India Policy on Marketing Communications to Children. In accordance, your Company pledges to advertise products to children under the age of 12 that meet common 'Food & Beverage Alliance of India' nutrition criteria and / or Unilever Highest Nutrition Standards. Where differences in criteria exist, Unilever will apply the strictest criteria across all Marketing Communications directed to children.

On behalf of the Board

Sanjiv Mehta

Chairman and Managing Director

(DIN: 06699923)

Mumbai, 30th April, 2020

*Where applicable and legally permissible in accordance with local or regional industry agreements

Corporate Governance

"I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood.

- William Hesketh Lever

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY THE BOARD OF DIRECTORS

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. At Hindustan Unilever Limited, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in the words above.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Hindustan Unilever, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles ('the Code') is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

In recognition of its governance practices, your Company was conferred upon a Certificate of Recognition at the ICSI National Awards for Excellence in Corporate Governance for the year 2017 and 2018 by the Institute of Company Secretaries of India. In the year 2011, the Company had been bestowed with the National Award for Excellence in Corporate Governance.

Also, your Company was recognised on Top 10 scores of the S&P BSE Index constituents in the 'Leadership Category' for the Corporate Governance Scorecard which is a joint initiative of the International Finance Corporation (IFC) and the Bombay Stock Exchange Limited.

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Chairman and Managing Director of the Company. The Management Committee of the Company is headed by the Chairman and Managing Director and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

Composition

The Board of your Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on date of this Report, the Board consists of ten Directors comprising one Executive Chairman, six Independent Directors and three Executive Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The Board as part of its succession planning exercise periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. During the year, Mr. Wilhelmus Uijen was appointed as a Whole-time Director of the Company designated as Executive Director, Supply Chain with effect from 1st January, 2020 and Dr. Ashish Gupta was appointed as an Independent Director with effect from 31st January, 2020. Mr. Sanjiv Mehta, Chairman and Managing Director was appointed as Chairman of the Company with effect from 30th June, 2018. As per the Listing Regulations, top 500 Companies by market capitalisation need to have separate positions for Chairman and Managing Director effective April 2022. The Company shall ensure compliance of this requirement of separation of position of Chairman and Managing Director on or before the due date.

Mr. Pradeep Banerjee, Whole-time Director designated as an Executive Director, Supply Chain stepped down from the Board as his contract of service came to an end on 31st December, 2019. Mr. Banerjee had superannuated and was on a contract of service for a period of one year after 38 years of service with the Company. The Board places on record its deep sense of gratitude and appreciation for Mr. Banerjee's immense contribution, strategic guidance provided during his tenure as a Whole-time Director of the Company.

Confirmation and Certification

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he / she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from M/s. S. N. Ananthasubramanian & Company, Company Secretaries,

Corporate Governance (continued)

under Regulation 34(3) and Schedule V Para C Clause (10)(i) of Listing Regulations confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

Board Independence

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Act and Regulation 16 of Listing Regulations. The Independent Directors provide an annual confirmation that they meet the criteria of independence. Based on the confirmations

/ disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from M/s. S. N. Ananthasubramanian & Company, Company Secretaries, as per the requirement of Regulation 25(8) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

The details of each Member of the Board along with the number of Directorship(s) / Committee Membership(s) / Chairmanship(s), date of joining the Board and their shareholding in the Company are provided herein below:-

Composition, Directorship(s) / Committee Membership(s) / Chairmanship(s) and Shareholding as on 31st March, 2020:

Name and Category	Date of joining the Board	Number of shares held in the Company	Directorship(s) in other Companies*	Membership(s) of Committees of other Companies**	Chairmanship(s) of Committees of other Companies**
Chairman and Managing Director					
Sanjiv Mehta	01.10.2013	10	-	-	-
Executive Director (Finance & IT) and CFO					
Srinivas Phatak	01.12.2017	10,208	-	-	-
Executive Directors					
Dev Bajpai	23.01.2017	49,179	-	-	-
Wilhelmus Uijen	01.01.2020	-	1	-	-
Independent Directors					
Aditya Narayan	29.06.2001	-	1	1	-
O. P. Bhatt	20.12.2011	-	4	2	1
Sanjiv Misra	08.04.2013	-	-	-	-
Kalpana Morparia	09.10.2014	-	1	-	1
Leo Puri	12.10.2018	-	3	1	-
Ashish Gupta	31.01.2020	-	1	-	-

*Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

**Includes only Audit Committee and Stakeholders' Relationship Committee.

None of the Directors of your Company are related to each other.

The names of the listed entities along with the category of Directorship for all the Directors form part of Profile of Directors from page nos. 226 to 229.

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Act and Listing Regulations as amended from time to time.

Appointment and Tenure

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company and provisions of the Act, all Directors, except the Managing Director and Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting (AGM)

each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed as per the provisions of the Act and serve in accordance with the terms of their contract of employment / contract of service with the Company.

None of the Independent Director(s) of the Company resigned before the expiry of their tenure.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and Listing Regulations.
- The Independent Directors can serve a maximum of two terms of five years each, after the introduction of the Act.

- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Act and the Listing Regulations.
- The Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members of the Company by way of a Special Resolution.

Any person who becomes Director or Officer, including an employee who is acting in a managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance Policy. The Policy shall also cover those who serve as a Director, Officer or equivalent of an outside entity at Company's request. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual results announcements;
- oversight of the performance of the business;
- declaration of dividends;
- development and approval of overall business strategy;
- board succession planning;
- review of the functioning of the Committees; and
- other strategic, transactional and governance matters as required under the Act, Listing Regulations and other applicable legislations.

The notice of Board / Committee Meetings is given well in advance to all the Directors. Usually, Meetings of the Board are held in Mumbai. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Chairman and Managing Director of the Company. The Agenda is circulated a week prior to the date of the Meeting. The Board Agenda includes an Action Taken Report comprising of actions emanating from the Board Meetings and status updates thereof. The Agenda for the Board and Committee Meetings cover items set out as per

the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the Meeting to enable the Directors to take an informed decision. Video / tele-conferencing facilities are also used to facilitate Directors travelling or located at other locations to participate in the Meetings.

Prior approval from the Board is obtained for circulating the agenda items with shorter notice for matters that form part of the Board and Committee Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

During the financial year ended 31st March, 2020, six Board Meetings were held on 3rd May, 2019, 29th to 31st May, 2019, 23rd July, 2019, 14th October, 2019, 31st January, 2020 and 24th February, 2020. The maximum interval between any two Meetings was well within the maximum allowed gap of 120 days.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee Meetings. The Company Secretary attends all the Meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or as a Member of the Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the Meetings.

With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee Agenda and Pre-reads. The Directors of the Company receive the Agenda and Pre-reads in electronic form through this application, which can be accessed through Browsers or iPads. The application meets high standards of security and integrity that are required for storage and transmission of Board / Committee Agenda and Pre-reads in electronic form.

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a quarter, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Chairman of the Board, to discuss issues and concerns, if any.

The Independent Directors met four times during the financial year ended 31st March, 2020 on 3rd May, 2019, 23rd July, 2019, 14th October, 2019 and 31st January, 2020. The Independent Directors inter-alia discuss the issues arising out of Committee Meetings and Board discussion including the quality, quantity and timely flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

Corporate Governance (continued)

Directors' Induction and Familiarisation

The Board familiarisation Programme comprises of the following:-

- Induction Programme for new Independent Directors;
- Immersion sessions on business and functional issues; and
- Strategy session.

All new Independent Directors are taken through a detailed induction and familiarisation Programme when they join the Board of your Company. The induction programme is an exhaustive one that covers the history and culture of Hindustan Unilever, background of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. The programme also covers the Unilever Sustainable Living Plan.

As part of the induction sessions, the Chairman and Managing Director provides an overview of the organisation, its history, culture, values and purpose. The Business and Functional Heads take the Independent Directors through their respective businesses and functions. As a part of induction programme, the Independent Directors also visit the Company's manufacturing locations and undertake market visits to understand the operations of the Company. The Independent Directors are also exposed to the constitution, Board procedures, matters reserved for the Board and major risks facing the business and mitigation programs. The Independent Directors are also made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

In the Board Meetings, immersion sessions deal with different parts of the business and bring out all facets of the business besides the shape of the business. These immersion sessions provide a good understanding of the business to the Independent Directors. Similar immersion sessions are also convened for various functions of the Company. These sessions are also an opportunity for the Board to interact with the next level of management. To make these sessions meaningful and insightful, pre-reads are circulated in advance. Deep dive sessions are also organised on specific subjects for better appreciation by the Board of its impact on the business. There are opportunities for Independent Directors to interact amongst themselves every quarter. Many themes for such immersion sessions come through on account of these structured interactions and meetings of Independent Directors.

The process of Board Evaluation also throws up areas where the Board desires deep dive sessions.

Every year, a two day Strategy Board Meeting is organised generally at a location where the Company has an office or an establishment. It provides to the Board an opportunity to understand Company's footprint in that market and also interact with the Company's leadership and business teams in that market. The strategy session focuses on the strategy for the future and covers all parts of the business and functions, the course corrections, if any, required to be undertaken and gives a good perspective of the future opportunities and challenges.

Apart from the above, the Directors are also given an update on the environmental and social impact of the business, corporate governance, regulatory developments and investor relations matters.

The details of training Programme attended by Independent Directors is available on the website at <https://www.hul.co.in/investor-relations/corporate-governance/>.

Board Evaluation

In terms of the requirement of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with the aim to improve the effectiveness of the Board and the Committees. The criteria of performance evaluation of Board, its Committees and Individual Directors forms part of the 'Corporate Governance Code' which is available on the website of the Company. For Independent Directors, evaluation is carried out based on the criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in Strategy Board Meetings, etc.

During the year, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Peer Evaluation of the Directors. The exercise was led by the Chairman and Managing Director of the Company along with the Chairman of the Nomination and Remuneration Committee of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board, Board Oversight and effectiveness, performance of Board Committees, Board skills and structure, etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgment.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities and deliberations in the Board and Committee Meetings are enriched by such diversity and complementarities. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees.

The Board also noted that given the changing external environment the Company should be prepared for any likely disruption. The Board agreed that the Board was focused in the right direction of creating a 'purpose-driven' organisation. The evaluation exercise also highlighted the need for having better understanding of competitive landscape in a dynamic business environment and importance of being updated in the emerging technology areas relevant for the Company. These areas have been identified for the Board to engage itself with and the same will be acted upon.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meeting of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

The Board has established the following statutory and non-statutory Committees:-

Audit Committee

The Audit Committee comprises Mr. Aditya Narayan as the Chairman and Mr. O. P. Bhatt, Dr. Sanjiv Misra, Mr. Leo Puri and Dr. Ashish Gupta, Independent Directors as members of the Committee. Mr. S. Ramadorai ceased to be a member of the Committee with effect from 29th June, 2019. Dr. Ashish Gupta was appointed as a member of the Committee with effect from 30th April, 2020. All the members of the Committee have relevant experience in financial matters.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, *inter-alia*, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;

- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Code of the Company and Whistle Blowing Mechanism;
- reviewing the utilisation of loans and / or advances from / investment in the Subsidiary exceeding ₹ 100 crores of 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The detailed terms of reference of the Audit Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened. In these meetings, the Audit Committee reviews various businesses / functions, business risk assessment, controls and critical IT applications with implications of security and internal audit and control assurance reports of all the major divisions of the Company.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives.

The Audit Committee met seven times during the financial year ended 31st March, 2020 on 3rd May, 2019, 28th June, 2019, 23rd July, 2019, 14th October, 2019, 19th December, 2019, 31st January, 2020 and 24th February, 2020.

Internal Controls and Risk Management

The Company has robust systems for Internal Audit and corporate risk assessment and mitigation. The Company has an independent Control Assurance Department (CAD) assisted by outsourced audit teams.

The Internal Audit covers factories, sales offices, warehouses and centrally controlled businesses and functions, as per the annual plan agreed with the Audit Committee. The audit coverage plan of CAD is approved by the Audit Committee at the beginning of every year. Every quarter, the Audit Committee of the Board is presented with summary of key control issues and actions taken on the issues highlighted in previous report.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and

Corporate Governance (continued)

compliance with Corporate Policies. There is an ongoing process to track the evolution of risks and delivery of mitigating action plans.

The Company's internal financial control framework, established in accordance with the Committee of Sponsoring Organisation (COSO) framework, is commensurate with the size and operations of the business and is in line with requirements of the Act. The Company's internal financial controls framework is based on the 'three lines of defense model'. The Company has laid down Standard Operating Procedures and policies to guide the operations of the business.

Unit heads are responsible to ensure compliance with the policies and procedures laid down by the Management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The Management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company.

The Board of Directors based on the recommendation of the Audit Committee at its meeting held on 24th February, 2020 appointed Mr. Amit Agarwal as Internal Auditor of the Company with effect from 1st April, 2020, succeeding Ms. Subhra Gourisaria.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Dr. Sanjiv Misra as the Chairman and Mr. Aditya Narayan, Mr. O. P. Bhatt, Mr. Leo Puri and Mr. Sanjiv Mehta as members of the Committee. Mr. S. Ramadorai ceased to be the Chairman and member of the Committee with effect from 29th June, 2019. Dr. Sanjiv Misra was appointed as Chairman of the Committee with effect from 30th June, 2019.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, *inter-alia*, includes:

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;

- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.

- Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

The detailed terms of reference of the Nomination and Remuneration Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>. The Committee also plays the role of Compensation Committee and is responsible for administering the Stock Option Plan and Performance Share Plan of the Company and determining eligibility of employees for stock options.

The Nomination and Remuneration Committee met four times during the financial year ended 31st March, 2020 on 3rd May, 2019, 14th October, 2019, 31st January, 2020 and 24th February, 2020.

Board Membership Criteria and list of core skills / expertise / competencies identified in the context of the business:

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as given below:

Skills and its description	Sanjiv Mehta	Prakash Prakash	Dev Bajpal Ujjen	Wilhelmus Ujjen	Aditya Narayan	O. P. Bhatt	Dr. Sanjiv Misra	Kalpna Morparia	Leo Puri	Dr. Ashish Gupta
Leadership experience of running large enterprise - Experience in leading well-governed large organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.	√				√	√	√	√	√	
Experience of crafting Business Strategies - Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.	√				√	√	√		√	√
Understanding of Consumer and Customer Insights in diverse environments and conditions - Experience of having managed organisations with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.	√				√	√	√		√	√
Finance and Accounting Experience - Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.		√			√	√	√	√	√	
Experience in overseeing large and complex Supply Chain - Experience in overseeing large and complex supply chain operations, management of innovations, understanding of emerging technologies including digital information technologies and their disruptive impact.	√		√							
Understanding use of Digital / Information Technology across the FMCG value chain - Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organisation.	√								√	√
Experience of large companies and understanding of the changing regulatory landscape - Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.	√		√		√	√	√	√	√	√

Reward Policy

The Reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by various policies governing the different elements of total reward. The intent of all these policies is to ensure that the principles of Reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that

inspires employees to deliver Company's promise to consumers and achieve superior operational results.

The guiding principles for Company's reward policies / practices are as follows:

1. Open, Fair and Consistent: increase transparency and ensure fairness and consistency in reward framework;
2. Insight and Engagement: make reward truly relevant to the employees by using leading edge tools that help the Company 'hear' how employees feel about their reward;

Corporate Governance (continued)

- Innovation: continuously improve Company's reward through innovations based on insight, analytics and Unilever's expertise;
- Simplicity, Speed and Accuracy: simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently;
- Business Results: Company's business results are the ultimate test of whether reward solutions are effective and sustainable.

The appointment of Executive Directors, Key Managerial Personnel, Management Committee Members and other employees are by virtue of their employment / contract of service with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time. The total reward for Executive Directors, Key Managerial Personnel and Management Committee Members are reviewed and approved by the Nomination and Remuneration Committee annually, taking into account external benchmarks within the context of group and individual performance.

A fair portion of Executive Directors total reward is linked to Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder value. Long-term incentives, in the form of Management Co-Investment Plan, seek to reward Executive Directors, Management Committee Members and other eligible employees by aligning their deliverables to business results.

In line with the Evaluation Policy of the Company, the Nomination and Remuneration Committee considers the outcome of the annual Evaluation before recommending the changes in the remuneration of the Executive Directors and appointment / re-appointment of Directors.

Non-Executive Independent Directors are eligible for sitting fees and commission not exceeding the limits prescribed under the Act. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the approval of Members of the Company.

Independent Directors are currently paid sitting fees of ₹ 30,000/- for attending every meeting of the Board or Committee thereof. In line with the globally accepted governance practices, the Board of Directors adopted a 'Differential Remuneration Policy' for Non-Executive Directors remuneration which is available on the

Company's website at <https://www.hul.co.in/investor-relations/corporate-governance/>. As per the Differential Remuneration Policy, Non-Executive Independent Directors are entitled to fixed commission on profits at the rate of ₹ 15 lakhs for each financial year. In addition, Non-Executive Independent Directors are entitled to a remuneration linked to their attendance at the meetings of the Board or Committees thereof and also on the basis of their position in various Committees of the Board, whether that of a Chairman or a Member of the Committee(s). The remuneration payable to the Independent Directors under the Differential Remuneration Policy is within the overall limit of ₹ 300 lakhs, as approved by the Members at the Annual General Meeting held on 29th June, 2015. The criteria adopted by the Company for Differential Remuneration Policy is as under:

Particulars	Commission (₹ lakhs) (p.a.)
Fixed Commission:	
Base Fixed Commission for Independent Directors	15.00
Additional Variable Commission:	
Corresponding to the percentage of attendance at all the Board and Committee Meeting(s)	5.00
In the capacity of Chairperson of the Committee(s)*	2.00
In the capacity of Member of the Committee(s)*	1.00

*Committee includes Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

The Non-Executive Directors, who continuously serve minimum two terms of five years each, are also entitled to one time commission of ₹ 10 lakhs at the time of stepping down from the Board.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

The details of remuneration paid, stock options and conditional grants made to Executive Directors and remuneration paid to Non-Executive Directors for the financial year ended 31st March, 2020 are provided hereinafter:

Details of Remuneration to the Executive Directors

Name	Salary and Allowances		Perquisites	Contribution to Provident Fund			Consultancy Fees	Total
	Basic	Bonus		Fund	Pension			
Sanjiv Mehta	1,246	331	320	45	-	-	-	1,942
Srinivas Phatak	244	141	78	28	17	-	-	508
Pradeep Banerjee*	-	-	-	-	-	-	569*	569
Dev Bajpai	246	130	129	28	18	-	-	551
Wilhelmus Uijen**	130	20	21	8	-	-	-	179

*Mr. Pradeep Banerjee ceased to be a Whole-time Director w.e.f. 31st December, 2019.

**Mr. Wilhelmus Uijen was appointed as a Whole-time Director w.e.f. 1st January, 2020.

*Consultancy fees paid to Pradeep Banerjee Associates LLP.

Details of Conditional Grants of Performance Shares made to the Executive Directors

Name	Performance Shares outstanding as at 31st March, 2019	Performance Shares exercised during the year	Grant under Performance Share Scheme during the year	Performance Shares balance as at 31st March, 2020
	Pradeep Banerjee*	3,254	2,422	-
Dev Bajpai	3,838	3,362	-	476

*Mr. Pradeep Banerjee ceased to be a Whole-time Director w.e.f. 31st December, 2019.

Details of Remuneration to the Non-Executive Independent Directors

Name	₹ (lakhs)		
	Sitting Fees*	Commission*	Total
Aditya Narayan	5.40	23.74	29.14
O. P. Bhatt	6.30	26.00	32.30
S. Ramadorai ¹	0.60	6.50	7.10
Sanjiv Misra	5.70	23.50	29.20
Kalpna Morparia	2.40	21.00	23.40
Leo Puri	5.10	22.00	27.10
Ashish Gupta ²	0.30	7.50	7.80

*Includes sitting fees paid for the Board and Committee Meetings.

¹The Commission for the financial year ended 31st March, 2020 as per the Differential Remuneration Policy will be paid to Independent Directors, subject to deduction of tax, after adoption of financial statements by the Members at the AGM to be held on Tuesday, 30th June, 2020.

²Mr. S. Ramadorai, ceased to be a Non-Executive Independent Director of the Company w.e.f. 29th June, 2019.

³Dr. Ashish Gupta was appointed as an Independent Director w.e.f. 31st January, 2020.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee comprises Mr. O. P. Bhatt as the Chairman and Mr. Aditya Narayan, Dr. Sanjiv Misra, Ms. Kalpna Morparia, Mr. Sanjiv Mehta and Mr. Srinivas Phatak as the members of the Committee.

The role of CSR Committee includes 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 Company in the areas of CSR.

The detailed terms of reference of the Corporate Social Responsibility Committee is contained with the 'Corporate Governance Code' which is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>.

During the financial year ended 31st March, 2020, the Committee had recommended to the Board to approve the amendments to its CSR Policy to include the initiatives as per Schedule VII of the Act.

During the financial year ended 31st March, 2020, the Committee met twice on 3rd May, 2019 and 31st January, 2020. During the year, the Committee also transacted some of the business under its terms of reference by passing resolution by circulation.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises Mr. O. P. Bhatt, Independent Director as the Chairman and Mr. Sanjiv Mehta and Mr. Srinivas Phatak, as Members of the Committee.

The role of Stakeholders' Relationship Committee includes resolving the grievances of shareholders, ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company.

The detailed terms of reference of the Stakeholders' Relationship Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>.

The Committee has periodic interactions with the representatives of the Registrar and Transfer Agent of the Company. The SEBI, the capital market regulator had issued guidelines and undertaken a number of measures for raising industry standards for Registrar and Transfer Agent to facilitate effective shareholder service. In order to ensure this compliance, the Company had invited the Registrar and Transfer Agent to join the Committee meeting to share the actions taken on the same.

During the financial year ended 31st March, 2020, the Committee met twice on 3rd May, 2019 and 14th October, 2019.

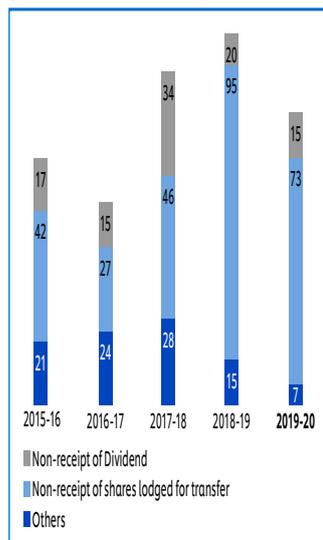
Details of Shareholders' / Investors' Complaints

Mr. Dev Bajpai, Executive Director, Legal & Corporate Affairs and Company Secretary, is the Compliance Officer for resolution of Shareholders' / Investors' complaints. During the financial year ended 31st March, 2020, 95 complaints were received from the shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on 31st March, 2020.

Corporate Governance (continued)

Particulars	Complaints Received	Complaints Redressed
Non-Receipt of Dividend	15	15
Non-Receipt of Shares lodged for Transfer	73	73
Others (e.g. non-receipt of Annual Report)	7	7
Total	95	95

Trend of Complaints Received During Last 5 Years:



Share Transfer / Transmission Committee

The Share Transfer / Transmission Committee has been formed to look into share transfer and related applications received from Shareholders, with a view to accelerate the transfer procedures. The Committee comprises three Executive Directors of the Board. The Committee *inter-alia* considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. As per Regulation 40 of Listing Regulations, as amended, shares of the Company can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. The Committee is authorised to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. The Committee meets generally on a weekly basis to ensure that share transfers, and other related requests are registered and returned within a period of 15 days from the date of receipt, provided the documents are complete in all respects.

Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted for approval, issue and allotment of shares under ESOP Schemes. The Committee comprises three Executive Directors of the Board and is constituted to expedite the process of allotment and issue of eligible shares to the employees under the Stock Option Plan of the Company.

Other Functional Committees

Apart from the above statutory Committees, the Board of Directors has constituted the following Functional Committees to raise the level of governance and also to meet the specific business needs.

Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees under statutes, etc. The Committee comprises three Executive Directors of the Board. The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

Committee for approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been set up and entrusted with the responsibility of identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in the said property, for and on behalf of the Company. The Committee comprises three Executive Directors of the Board. The Committee reports to the Board and minutes of these meetings are placed before the Board for information.

Risk Management Committee

The Risk Management Committee of the Company comprises Mr. Sanjiv Mehta as the Chairman and Mr. Srinivas Phatak, Mr. Wilhelmus Uijen, Mr. Dev Bajpai and Ms. Suman Hegde, Group Controller as Members of the Committee. Mr. Wilhelmus Uijen was appointed as a member of the Committee with effect from 1st January, 2020 succeeding Mr. Pradeep Banerjee. Ms. Suman Hegde ceased to be the Member of the Committee with effect from 1st May, 2020 and was succeeded by Mr. Amit Sood as the Group Controller.

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same.

The detailed terms of reference of the Risk Management Committee is contained in the 'Corporate Governance Code' which is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>.

During the financial year ended 31st March, 2020, the Risk Management Committee met once on 11th December, 2019 for reviewing the Company level risks and mitigation plans and actions.

Attendance of Directors / Members at Board and Committee Meeting(s)

The following table shows attendance of Directors and Members at the Board and Statutory Committee Meeting(s) for the year ended 31st March, 2020. Attendance is presented as number of meeting(s) attended, (including meetings attended through electronic mode) out of the number of meeting(s) required to be attended.

Name	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	Risk Management Committee Meeting
Srinivas Phatak	6 of 6	-	-	2 of 2	2 of 2	1 of 1
Pradeep Banerjee*	4 of 4	-	-	-	-	1 of 1
Dev Bajpai	6 of 6	-	-	-	-	1 of 1
Wilhelmus Uijen**	2 of 2	-	-	-	-	-
Aditya Narayan	6 of 6	6 of 7 ^A	4 of 4	-	2 of 2	-
S. Ramadorai [‡]	1 of 2	1 of 2	0 of 1	-	-	-
O. P. Bhatt	6 of 6	7 of 7	4 of 4	2 of 2 ^A	2 of 2 ^A	-
Sanjiv Misra	6 of 6	7 of 7	4 of 4 ^A	-	2 of 2	-
Kalpana Morparia	6 of 6	-	-	-	2 of 2	-
Leo Puri	6 of 6	7 of 7	4 of 4	-	-	-
Ashish Gupta ^{‡‡}	1 of 1	-	-	-	-	-
Suman Hegde	-	-	-	-	-	1 of 1

^AChairman

*Mr. Pradeep Banerjee ceased to be a Whole-time Director w.e.f. 31st December, 2019.

[‡]Mr. S. Ramadorai ceased to be an Independent Director w.e.f. 29th June, 2019.

**Mr. Wilhelmus Uijen was appointed as a Whole-time Director w.e.f. 1st January, 2020.

^{‡‡}Dr. Ashish Gupta was appointed as an Independent Director of the Company w.e.f. 31st January, 2020.

The last AGM of the Company held on 29th June, 2019 was attended by all the Members of the Board of Directors except Mr. S. Ramadorai.

GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this Report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company. The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone financial statements.

COMPANY POLICIES

Code of Business Principles / Whistle Blower Policy

The Code of Business Principles ('the Code') is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavours. The Code reflects the Company's commitment to principles of integrity, transparency and fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. The copy of the Code is available on the

website of the Company at <https://www.hul.co.in/about/who-we-are/purpose-and-principles/>.

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Code of the Company.

The Company has provided dedicated e-mail addresses whistleblowing.hul@unilever.com and CoBP.hul@unilever.com for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. 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 Code and the Whistle Blower Policy of the Company, are reported to the Management Committee and are subject to the review of the Audit Committee. The Whistle Blower Policy is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>.

Corporate Governance (continued)

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

Your Company has constituted Internal Committees (IC). While maintaining the highest governance norms, the Company has appointed external independent persons who work in this area and have the requisite experience in handling such matters, as Chairpersons of each of the Committees.

Number of Complaints filed during the FY 2019-20	3
Number of Complaints disposed off during the FY 2019-20	2
Number of Complaints pending as on 31st March, 2020	1

The Complaints which were pending as on 31st March, 2020 were disposed off at the time of adoption of this Report by Board. The Company endeavours to complete the inquiry process within the stipulated period of 90 days.

Policy on Avoiding Conflict of Interest

The Board of Directors are responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and the Management Committee. The Board has adopted the Code of Conduct for the Members of the Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts Directors from accepting any gifts or incentives in their capacity as a Director of the Company, except what is duly authorised under the Company's Gift Policy. The Members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct is in addition to the Code of the Company. A copy of the said Code of Conduct is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>. In addition, Members of the Board and Management Committee also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board.

The Members of the Board inform the Company of any change in their Directorship(s), Chairmanship(s) / Membership(s) of the Committees, in accordance with the requirements of the Act and

Listing Regulations. Transactions with any of the entities referred above are placed before the Board for approval. Details of all Related Party Transactions are placed before the Audit Committee on quarterly basis.

Policy on dealing with Related Party Transactions

The Company has not entered into any Material Related Party Transaction during the year. In line with requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>.

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. All Related Party Transactions entered during the year were in ordinary course of business and on arm's length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company.

During the year the Board of Directors had adopted the updated Related Party Transaction Policy.

Policy on Material Subsidiary

The Company has adopted a Policy on Material Subsidiary in line with the requirements of the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy on Material Subsidiary is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>.

Policy on Dividend Distribution

The Board of Directors have adopted Dividend Distribution Policy in terms of the requirements of Listing Regulations. The Policy is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/>. The Dividend Distribution Policy forms a part of this Report.

Share Dealing Code

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('SEBI PIT Regulations'), the Company has established systems and procedures to prohibit insider trading activity and has framed a Share Dealing Code. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified

employees dealing in the securities of the Company on the basis of any Unpublished Price Sensitive Information (UPSI), available to them by virtue of their position in the Company. The objective of this Share Dealing Code is to prevent misuse of any UPSI and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company have adopted the Share Dealing Code and formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI PIT Regulations. The details of dealing in Company's shares by Specified Employees (which include members of the Management Committee and Directors) are placed before the Board for information on quarterly basis. The Share Dealing Code also prescribes sanction framework and any instance of breach of Share Dealing Code is dealt with in accordance with the same. A copy of the Share Dealing Code of the Company is made available to all employees of the Company and compliance of the same is ensured.

The Share Dealing Code is available on the website of the Company at <https://www.hul.co.in/investor-relations/corporate-governance/dealing-in-hul-shares/index.html>.

AFFIRMATION AND DISCLOSURE

All the Members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2020 and a declaration to that effect, signed by the Chairman and Managing Director, is attached and forms part of this Report.

The Members of the Management Committee have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company. There were no material, financial or commercial transaction, between the Company and Members of the Management Committee that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (j) of the Regulation 46(2) of the Listing Regulations.

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

Disclosure on Website

Following information has been disseminated on the website of the Company at www.hul.co.in;

1. Details of business of the Company;
2. Terms and conditions of appointment of Independent Directors;
3. Composition of various Committees of Board of Directors;
4. Code of Conduct for Board of Directors and Senior Management Personnel;

5. Details of establishment of vigil mechanism / Whistle Blower policy;
6. Criteria of making payments to Non-Executive Directors;
7. Policy on dealing with Related Party Transactions;
8. Policy for Determining Material Subsidiaries;
9. Details of Familiarisation Programmes imparted to Independent Directors;
10. Policy for Determination of Materiality of Events;
11. Policy for Dividend Distribution.

Fees paid to Auditors

The total fees for all services paid by your Company and its Subsidiaries to M/s. B.S.R & Co. LLP, Chartered Accountants, Statutory Auditors and all the entities in the network firm / network entity of which Statutory Auditors is a part during the financial year 2019-20 is ₹ 3.57 crores and estimated fees to be paid for the financial year 2020-21 shall be ₹ 4.89 crores.

Disclosure of Pending Cases / Instances of Non-Compliance

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.

The Company has been impleaded in certain legal cases related to disputes over title to shares arising in the ordinary course of share transfer operations. However, none of these cases are material in nature, which may lead to material loss or expenditure to the Company.

Commodity Price Risk / Foreign Exchange Risk and Hedging Activities

1. Risk Management Policy of the Company with respect to the Commodities and Forex:

Commodities form a major part of the raw materials required for Company's products portfolio and hence commodity price risk is one of the important market risks for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. Your Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability.

The Commodity Risk Management (CRM) team of Unilever, based on intelligence and monitoring, forecasts commodity prices and movements and advises the Procurement team on cover strategy. A robust planning and strategy ensure that Company's interests are protected despite volatility in commodity prices.

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material

Corporate Governance (continued)

residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered

exchange rate risks in the context of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2020 are disclosed in Notes to the standalone financial statements.

2. Exposure of the Company to various commodities:

Commodity Name	Exposure towards the particular commodity (LABSA) ₹ in crores	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives			
			UOM	Domestic Market	International Market	Total
Brent	2,362.06	20,02,358.00*	Barrels	-	72%	72%
Kero Crack						
Kerosene						
Benzene	99,672.54	Metric Tonnes	-	15%	15%	
Fuel Oil	22,923.94	Metric Tonnes	-	11%	11%	

*Quantity Derived basis Labsa volumes and formulation

Compliance with the Discretionary Requirements under the Listing Regulations

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- Shareholders' rights:** The quarterly results along with the press release are uploaded on the website of the Company at <https://www.hul.co.in/investor-relations/quarterly-results/>. The soft copy of the quarterly results is also sent to the shareholders who have registered their e-mail addresses.
- Audit qualifications:** Company's financial statements are unqualified.
- Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2019-20 which, *inter-alia*, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

Corporate Governance Code Audit

The Board of Directors has adopted 'Corporate Governance Code' as amended from time-to-time for the Company which is a statement of practices and procedures to be followed by the Company. The Corporate Governance Code is being updated from time-to-time as per the Governance requirements. The updated copy of the Corporate Governance Code is available on Company's website at <https://www.hul.co.in/investor-relations/corporate-governance/>.

The Company had appointed M/s. S. N. Ananthasubramanian & Co., Company Secretaries as the Auditor for the audit of the practices and procedures followed by the Company under the Code. The Company has received the Corporate Governance Audit Report for the financial year 2019-20.

SHAREHOLDER INFORMATION

General Body Meetings

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Financial Year ended	Date and Time	Venue	Special resolution passed
31st March, 2017	30th June, 2017 3.30 p.m.	Unilever House, B. D. Sawant Marg, Chakala, Andheri (E), Mumbai - 400 099	<ul style="list-style-type: none"> Increase in overall limit of remuneration payable to Executive Directors
31st March, 2018	29th June, 2018 2.30 p.m.	Same as above	<ul style="list-style-type: none"> No special resolutions were passed in this meeting
31st March, 2019	29th June, 2019 2.30 p.m.	Same as above	<ul style="list-style-type: none"> Increase in overall limits of Remuneration for Managing / Whole-time Director(s). Re-appointment of Mr. Aditya Narayan as an Independent Director for a second term. Re-appointment of Mr. O. P. Bhatt as an Independent Director for a second term. Re-appointment of Dr. Sanjiv Misra as an Independent Director for a second term. Continuation of term of Dr. Sanjiv Misra on attaining age of 75 years. Re-appointment of Ms. Kalpana Morparia as an Independent Director for a second term. Continuation of term of Ms. Kalpana Morparia on attaining age of 75 years.

No Special Resolution was passed by the Company last year through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

Annual General Meeting for the FY 2019-20

Date	30th June, 2020
Venue	Annual General Meeting through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai - 400 099]
Time	3.00 p.m.
Book Closure Dates for Final Dividend	Tuesday, 23rd June, 2020 to Tuesday, 30th June, 2020 (both days inclusive)

Calendar of financial year ended 31st March, 2020

The Company follows April-March as the Financial Year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2020 were held on the following dates:

First Quarter Results	23rd July, 2019
Second Quarter and Half yearly Results	14th October, 2019
Third Quarter Results	31st January, 2020
Fourth Quarter and Annual Results	30th April, 2020

Tentative Calendar for financial year ending 31st March, 2021

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2021 are as follows:

First Quarter Results	21st July, 2020
Second Quarter and Half yearly Results	20th October, 2020
Third Quarter Results	29th January, 2021
Fourth Quarter and Annual Results	30th April, 2021

Dividend

The Board of Directors at their meeting held on 30th April, 2020, recommended a Final Dividend of ₹ 14/- per equity share of face value of ₹ 1/- each, for the financial year ended 31st March, 2020. Together with the Interim Dividend of ₹ 11/- per equity share paid on 5th November, 2019, the total dividend for the year works out to ₹ 25/- per equity share of face value of ₹ 1/- each. Final Dividend, if approved by Members, will be paid on or after Friday 3rd July, 2020. For information related to dividend payout, please refer page nos. 222 to 223 of this Report.

Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund ('IEPF') Authority.

The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The

Corporate Governance (continued)

Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 13.83 crores of unpaid / unclaimed dividends and 8,98,820 shares were transferred during the financial year 2019-20 to the IEPF.

The Company has appointed a Nodal Officer and Deputy Nodal Officer under the provisions of IEPF, the details of which are

available on the website of the Company at <https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividends/>.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th June, 2019 (date of last AGM) on the Company's website at <https://www.hul.co.in/investor-relations/unclaimed-and-unpaid-dividends/> and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in/. The details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2020 shall be updated on or before 30th September, 2020.

Details of Demat / Unclaimed Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

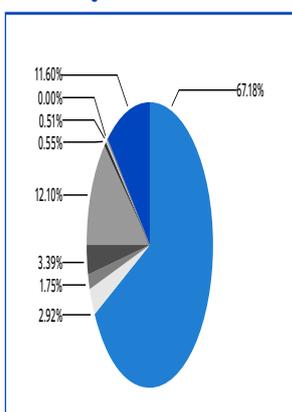
Distribution of Shareholding as on 31st March, 2020

Holding	Shareholders		Shares	
	Number	%	Number	%
1 - 5000	4,47,484	97.45	12,78,69,884	5.91
5001 - 10000	6,411	1.40	4,50,82,565	2.08
10001 - 20000	3,005	0.65	4,15,00,716	1.92
20001 - 30000	806	0.17	1,96,22,290	0.91
30001 - 40000	350	0.08	1,20,03,397	0.55
40001 - 50000	184	0.04	81,89,423	0.38
50001 - 100000	365	0.08	2,60,62,308	1.20
100001 and above	577	0.13	1,88,45,13,604	87.05
TOTAL	4,59,182	100.00	2,16,48,44,187	100.00

Categories of Shareholders as on 31st March, 2020

Category	No. of Folios	Shares	%
Unilever and its Associates	7	1,45,44,12,858	67.18
Mutual Funds & Unit Trust of India	370	6,31,35,771	2.92
Financial Institutions / Banks	219	3,78,75,241	1.75
Insurance Companies	18	7,33,09,249	3.39
Foreign Portfolio Investors	1,241	26,19,38,908	12.10
Bodies Corporate	2,708	1,19,76,987	0.55
NRIs / Foreign Bodies Corporate / Foreign Nationals	11,934	1,09,73,076	0.51
Directors and their Relatives	4	59,397	0.00
Resident Individuals & Others	4,42,681	25,11,62,700	11.60
Total	4,59,182	2,16,48,44,187	100.00

Categories of Shareholders



Bifurcation of shares held in physical and demat form as on 31st March, 2020

Particulars	No. of Shares	%
Physical Segment	2,83,69,592	1.31
Demat Segment		
NSDL (A)	2,09,93,29,410	96.97
CDSL (B)	3,71,45,185	1.72
Total (A+B)	2,13,64,74,595*	98.69
Total	2,16,48,44,187	100.00

*includes shares held by Unilever PLC and its Affiliates representing 67.18% of the total shareholding. There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company.

Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	500696
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	HINDUNILVR
ISIN	INE030A01027

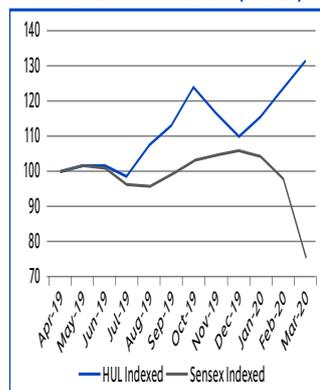
The listing fee for the financial year 2019-20 has been paid to the above Stock Exchanges.

Share Price Data

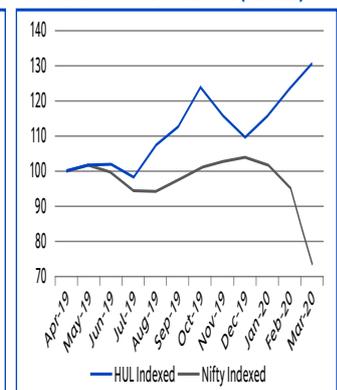
The monthly high and low prices and volumes of shares of the Company at BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year ended 31st March, 2020 are as under:

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Apr-19	1,762.00	1,649.70	16,01,522	1,762.60	1,650.00	2,49,65,883
May-19	1,803.00	1,657.00	17,95,505	1,804.90	1,656.00	3,07,66,512
Jun-19	1,864.45	1,746.00	12,86,328	1,864.95	1,745.00	1,84,31,418
Jul-19	1,815.60	1,660.00	12,18,180	1,816.00	1,659.05	2,47,24,545
Aug-19	1,888.95	1,706.95	14,84,175	1,889.00	1,706.00	3,47,42,131
Sep-19	2,101.50	1,793.05	17,08,061	2,100.65	1,793.60	3,17,11,263
Oct-19	2,187.00	1,928.30	17,62,800	2,187.25	1,927.65	3,34,85,116
Nov-19	2,186.00	2,008.35	13,71,500	2,190.00	2,008.00	2,75,43,118
Dec-19	2,062.00	1,908.05	13,82,551	2,062.00	1,907.35	2,84,61,256
Jan-20	2,085.00	1,907.00	14,55,642	2,085.80	1,906.45	2,65,57,525
Feb-20	2,307.20	2,032.20	16,50,277	2,308.20	2,030.05	4,22,32,601
Mar-20	2,311.85	1,756.00	20,81,833	2,313.00	1,757.30	6,74,00,875

BSE SENSEX VS HUL SHARE PRICE (INDEXED)



NSE NIFTY VS HUL SHARE PRICE (INDEXED)



Corporate Governance (continued)

10 - year Performance of Hindustan Unilever Share vis-à-vis Sensex and Nifty

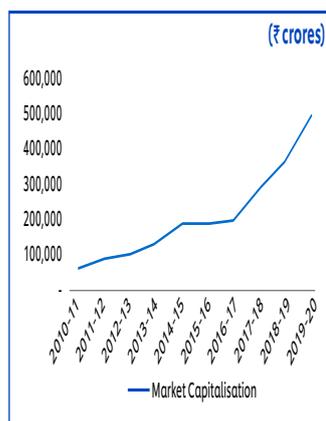
Date of Purchase	HUL Share Price on BSE	HUL Share Performance	Sensex Price on BSE	Sensex Performance	HUL Share Price on NSE	HUL Share Performance	NSE Nifty	Nifty Performance
31-03-2011	284.60	708%	19,445.22	52%	284.90	707%	5,833.75	47%
30-03-2012	409.90	461%	17,404.20	69%	410.05	461%	5,295.55	62%
28-03-2013	466.10	393%	18,835.77	56%	466.95	392%	5,682.55	51%
31-03-2014	603.65	281%	22,386.27	32%	605.55	280%	6,704.20	28%
31-03-2015	872.90	163%	27,957.49	5%	873.55	163%	8,491.00	1%
31-03-2016	869.50	164%	25,341.86	16%	869.50	164%	7,738.40	11%
31-03-2017	909.75	153%	29,620.50	-1%	911.75	152%	9,173.75	-6%
28-03-2018	1,335.90	72%	32,968.68	-11%	1333.35	72%	10,113.70	-15%
29-03-2019	1,707.80	35%	38,672.91	-24%	1706.80	35%	11,623.90	-26%
31-03-2020	2,298.15		29,468.49		2298.50		8,597.75	

Source: BSE and NSE Website

All comparisons are with respect to 31st March, 2020 (the reference date).

Market Capitalisation

The Market Capitalisation of the Company based on year-end closing prices quoted in the BSE Limited is given below:



Mergers and Demergers

The details of Mergers and Demergers with Companies and respective share exchange ratios are available on 'Investor Centre' page on the website of the Company at www.hul.co.in.

Plant Locations

The details of Plant Locations is provided at page no. 217 of this Report.

Credit Ratings

CRISIL has given the credit rating of CRISIL AAA / Stable for debt instrument / facilities of the Company. The details of Credit Rating is available on the website at <https://www.hul.co.in/investor-relations/corporate-governance/>.

Registrar and Share Transfer Agent

During the year, the name of the Registrar and Share Transfer Agent of the Company was changed from M/s. Karvy Fintech Private Limited to M/s. KFin Technologies Private Limited (KFinTech) and shall continue to act as the Registrar and Share Transfer Agent of the Company.

Share Transfer System

Share transfers are processed and duly endorsed share certificates are dispatched within a period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, dematerialisation of shares etc. to the Share Transfer / Transmission Committee. A summary of transactions so approved by the committee is placed at the Board Meeting held quarterly. The Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and available in the website of the Company. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialised form with a depository.

COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as Times of India and Maharashtra Times. These results are also made available on the website of the Company at <https://www.hul.co.in/investor-relations/quarterly-results/>. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts. The Company also sends quarterly, half yearly and annual results as well as the notice of the Board Meeting to Members through e-mail.

The Investor Relations page of the Company's website provides more than 50 Frequently Asked Questions on various topics related

to transfers and transmissions of shares, dematerialisation, nomination, change of address, loss of share certificates, dividend and sub-division of share certificates. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at <https://www.hul.co.in/investor-relations/shareholder-and-agm-information/>.

Investor Services

Web-based Query Redressal System

Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries, by visiting <https://karisma.kfintech.com/> and clicking on 'INVESTORS SERVICES' option for query registration through free identity registration process.

Investors can submit their query in the 'QUERIES' option provided on the above website, which would generate the grievance a registration number. For accessing the status / response to the query submitted, the grievance registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Shareholder Satisfaction Survey form available in Investor Relations page on website of the Company at <https://www.hul.co.in/investor-relations/faqs-and-forms/>.

Alternative Dispute Redressal

Long pending litigations involve significant investment as monetary value of the disputed shares and accrued dividends / other benefits

are locked up unutilised till the dispute is settled. Keeping this in mind, the Company in 2004, pioneered the mechanism of providing an alternate dispute redressal for Shareholders to resolve the shares related disputes pending before the courts / authorities by amicable settlement.

The Company had started this unique initiative of organising Alternative Dispute Redressal meetings wherein aggrieved investors come face to face and get a chance to settle their disputes, some of which were pending for years.

A number of Shareholders have availed the benefit of this process and the Company through its various initiatives keeps exploring the possibilities of settling such issues. The process helps the investors in releasing the locked up investment and save their time consumed in contesting legal proceedings. The objective of this process is to facilitate quick resolution of the dispute between the parties.

The Shareholders who are willing to avail the benefits of Alternative Dispute Redressal Mechanism may approach the Investor Service Department of the Company at the Registered Office of the Company.

Address for Correspondence

- All Members correspondence should be forwarded to M/s. KFin Technologies Private Limited, the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for Investors' Complaints and other communications is levercare.shareholder@unilever.com.
- SEBI vide its circular dated 26th March, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance.

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)

Unit: Hindustan Unilever Limited
Selenium Tower B, Plot 31-32,
Cachibowli Financial District,
Nanakramguda Hyderabad - 500 032
Phone: +91-40-67161500, 6712222
Fax: +91-40-22431551
Toll Free no: 1800-345-4001
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Investor Service Department
Hindustan Unilever Limited
Unilever House,
B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai - 400 099
Phone: +91-22-50432791 / 50432792
Fax: +91-22-28249457
E-mail: levercare.shareholder@unilever.com
Website: www.hul.co.in

Compliance Officer
Mr. Dev Bajpai
Executive Director, Legal & Corporate Affairs
and Company Secretary
E-mail: levercare.shareholder@unilever.com
Phone: +91-22-50432790 / 32754 / 32789 / 33070

Annexure to the Corporate Governance Report

Dividend Distribution Policy

INTRODUCTION

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy.

The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

DIVIDEND PAYOUT

The Company's Dividend Distribution Policy shall ensure that it returns cash from operations that is more than its immediate and foreseeable needs back to the shareholders over the long-term. Interim dividend is considered for declaration by the Board based on the performance of the Company during the year and final dividend is based on the performance for the full year. The Company shall strive to declare a steady stream of dividends to the shareholders that is in their best long-term interest.

Dividend will be declared out of the current year's Profit after Tax of the Company. In certain circumstances including but not limited to loss after tax in any particular financial year, the Board may consider utilising retained earnings for declaration of dividends, subject to applicable legal provisions.

The actual quantum of dividend pay-out on a yearly basis will be dependent on the following factors:

Internal Factors:

- Existing and expected underlying financial performance
- Cash flow and liquidity position
- Capital expenditure and investment plans
- Acquisitions and Disposals
- Restructuring activities
- Interim Dividend, if any, already declared during the year and
- Future requirement of funds

External Factors:

- Macro- economic environment
- Market conditions and consumer trends
- Changes in regulatory requirements
- Shareholder expectations

As such, any amount retained will be utilised for securing the long-term growth objectives of the business including but not limited to

- Issuance of Bonus Shares
- Share Buy Back
- Inorganic growth opportunities, including M&A

as may be approved by the Board of Directors of the Company. This Policy is issued with the consent of the Board of Directors of the Company and can be amended only with the authority of the Board of Directors.

DISCLOSURE

This policy (as amended from time to time) will be available on the Company's website at <https://www.hul.co.in/investor-relations/corporate-governance/>.

Annexure to Corporate Governance Report

Certificate by a Company Secretary in Practice

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg,
Chakala, Andheri East Mumbai - 400099

We have examined the following documents:

- Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
- Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

as submitted by the Directors of Hindustan Unilever Limited ('the Company') bearing CIN: L15140MH1933PLC002030 and having its registered office at Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai - 400099, to the Board of Directors of the Company ('the Board') for the financial year 2020-21 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with, the provisions of the Act.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment	Date of Cessation
1	Mr. Sanjiv Mehta	06699923	01-10-2013	NA
2	Mr. Srinivas Phatak	02743340	01-12-2017	NA
3	Mr. Pradeep Banerjee	02985965	01-03-2010	31-12-2019
4	Mr. Dev Bajpai	00050516	23-01-2017	NA
5	Mr. Wilhelmus Uijen	08614686	01-01-2020	NA
6	Mr. Aditya Narayan	00012084	29-06-2001	NA
7	Mr. S Ramadorai	00000002	20-05-2002	29-06-2019
8	Mr. O. P. Bhatt	00548091	20-12-2011	NA
9	Dr. Sanjiv Misra	03075797	08-04-2013	NA
10	Ms. Kalpana Morparia	00046081	09-10-2014	NA
11	Mr. Leo Puri	01764813	12-10-2018	NA
12	Dr. Ashish Gupta	00521511	31-01-2020	NA

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the financial year ended 31st March, 2020.

For S. N. Ananthasubramanian & Co.
Company Secretaries
ICSI Unique Code : P1991MH040400

S. N. Ananthasubramanian
Partner
FCS : 4206 | COP No. : 1774
Peer Review Cert. No. : 606/2019
ICSI UDIN : F004206B000184364

Thane, 28th April, 2020