



Report of the Board of Directors and Management Discussion & Analysis

Your Board of Directors (the Board) is pleased to share with you the Business Performance along with the Audited Financial Statements for the financial year (FY) ended 31st March, 2026.

About HUL

Hindustan Unilever Limited (HUL) is India's largest Fast-moving Consumer Goods (FMCG) company, touching millions of households each day through a portfolio of trusted, market-leading brands across Home Care, Beauty & Wellbeing, Personal Care and Foods. Reaching nine out of ten Indian households, HUL is powered by one of the country's most extensive distribution networks, spanning over 9 million retail outlets across both urban and rural India.

With a legacy of over nine decades, HUL blends deep consumer insight, world-class R&D, technology, strong capabilities in brand building and route-to-market to drive purposeful innovation, shape categories and build iconic brands. Guided by its strategic priorities, the Company is focused on creating desire at scale through modern, youthful brands, strengthening future-ready marketing and channel moats, and accelerating market development across high-growth demand spaces.

A continued focus on consumer-centric, science-backed innovation, a wide and resilient portfolio of brands, and disciplined execution, positions HUL well in a dynamic macro-environment. Coupled with industry-leading governance, a strong balance sheet, robust cash generation and a long-term value creation mindset, HUL is well-placed to continue its leadership in the Indian FMCG sector and empower the nation on the rise.

Global Economy

In 2025, the global economy recorded resilient yet uneven expansion, with global GDP growth estimated at around 3.4%¹, reflecting a broadly stable outlook despite multiple divergent forces. Key advanced economies experienced moderate growth, while many emerging markets grew above 4%, keeping the world economy on a steady path. Fiscal policy remained generally measured across major economies, with governments balancing consolidation with targeted support to sustain investment and long-term competitiveness. Monetary conditions gradually eased as inflation moderated, although the pace of disinflation continued to vary across regions, prompting central banks to normalise rates cautiously. Private-sector investment strengthened, driven by surging investments in the technology domain. At the same time, earlier trade realignments and evolving industrial policies continued to reshape global production networks. Geopolitical tensions, tariff-linked trade realignments and supply chain vulnerabilities, remained the most significant watch-outs for the global outlook, with the potential to re-ignite volatility in energy markets, capital flows and global demand.

¹IMF World Economic Outlook Apr 2026 edition

²First advanced estimates released by Ministry of Statistics & Programme Implementation for FY 2025-26

³CPI monthly average FY 2025-26

Indian Economy

FY 2025–26 was a year in which India reaffirmed its position as one of the world's fastest-growing major economies, delivering real GDP growth of around 7.4%². This year was shaped by a combination of strengthening domestic demand, robust public investment and resilient macro-economic fundamentals, even as the global economy navigated persistent uncertainties.

Growth was supported by the continued strength of the services and industrial sectors. High-frequency indicators such as GST collections, power demand, mobility data, and cement and steel production, pointed to broadening activity. Rural and urban demand remained stable although signs of moderation persisted in select segments. Together, these trends reflected an economy expanding at a healthy pace, while still navigating pockets of variability across regions, income groups and sectors.

Policy support played a pivotal role in sustaining India's growth trajectory during the year. The Government's fiscal stance remained growth-oriented yet disciplined, with capital expenditure rising year-on-year, reinforcing the multi-year push to build infrastructure, expand capacity and lift long-term competitiveness. Budget measures focused on strengthening manufacturing, promoting innovation, accelerating digital infrastructure and enabling clean-tech transitions, all of which continued to bolster the investment climate. On the consumption side, GST rate rationalisation across several essential and mass-consumption categories, combined with targeted reductions in personal income taxes, created conducive environment to improve disposable incomes and support household spending.

At the same time, the monetary environment turned more accommodative as headline inflation softened to around 2%³, enabling the Reserve Bank of India to reduce the repo rate in a calibrated manner during 2025, along with liquidity injections to ease financial conditions. These measures improved credit availability, lowered borrowing costs for consumers and businesses, and helped reinforce broader financial-sector stability. Together, these fiscal and monetary actions acted as complementary levers – improving consumer sentiment, supporting investment momentum and creating the conditions for a more durable, broad-based recovery. In March however, the escalation of the Middle East crisis led to a sharp spike in crude and crude-linked commodity costs, along with supply-side disruptions and continued Rupee depreciation.

Together, these forces shaped the nation that continued to demonstrate resilience, despite global trade fragmentation, shifting tariff landscapes and volatility in commodity and financial markets.



2. Trend: Social-first, Digital-first Consumer Journeys

The rise of Social-first, Digital-first consumer journeys has reshaped how FMCG brands are discovered, evaluated and chosen. With short-form videos, creator-driven content and community recommendations becoming mainstream, consumers now rely on social platforms to form brand perceptions. Digital ecosystems- e-commerce, quick commerce, review platforms and shoppable content have become the starting point for product discovery, particularly for Beauty, Personal Care, Home Care and Impulse categories. Real-time engagement through influencers, micro-communities and social commerce is increasingly determining which brands break through the clutter. As a result, digital salience, creator advocacy and content excellence have become mission-critical growth drivers for FMCG companies.

HUL's response: HUL has leaned into this shift with a deliberate pivot towards social-first, content-led demand generation across its portfolio. The Company has stepped up investments in creators, communities and credible voices, reshaping brand storytelling for digital platforms. HUL has modernised brand assets, built omni-channel creative systems, and activated social-commerce-ready formats to meet consumers where they browse and buy. Influencer-driven narratives and targeted digital amplification has played a crucial role in elevating the visibility and impact of both- new product launches and ongoing brand initiatives. Exemplifying this approach, HUL adopted a social-first strategy for introducing fresh Vaseline ranges, leveraged Lakmē Fashion Week as a key platform for brand engagement, and executed high-impact collaborations through brands such as Dove and Bru with prominent streaming shows. Additionally, Rexona, Surf excel and Boost gained heightened brand exposure through strategic campaigns during flagship events like the ICC Women's World Cup, Women's Premier League, and Indian Premier League, further reinforcing consumer connect and driving purchase intent in a dynamic digital landscape.

3. Trend: Increased Channel Fragmentation, requiring Sharper Route-to-Market (RTM) Plays

The FMCG sector is witnessing rapid channel fragmentation as consumers increasingly shop across a widening range of touchpoints – general trade, modern trade, e-commerce, quick commerce, speciality formats (beauty, pharma, health), cash-and-carry, and emerging hyperlocal networks. Each channel is evolving at a different pace: Quick commerce is scaling rapidly in metros, modern trade continues to deepen premium baskets, e-commerce

is becoming a discovery-plus-consumption ecosystem, and general trade remains the backbone of reach, especially in rural and semi-urban India. This fragmentation requires FMCG companies to operate with far more precision, developing channel-specific assortments, price-benefit pyramids, pack formats, service levels and activation models. RTM is no longer linear; winning now depends on differentiated go-to-market strategies that respond to the unique economics, expectations and behavioural patterns of each channel.

HUL's response: HUL has responded to this shift by building a far more agile, data-driven and channel-specialised RTM architecture that reflects the realities of a fragmented retail ecosystem. The Company has strengthened general trade by deploying deeper beat segmentation, sharper assortment planning and digitally-enabled distributor systems to improve availability and productivity. Further, RTM continues to be strengthened through expanded coverage and improved assortments. At the same time, the Company has put in place a specialised structure for open-format stores, chemist and beauty-speciality channels, allowing for differentiated assortments, exclusive packs and tailored service levels that match the needs of high-value outlets. Recognising the strong growth of instant-delivery platforms, we have also established a dedicated quick commerce organisation enabling faster decisions and sharper execution. We are deploying our advanced supply chain capabilities to build an adaptive operating model including collaborative forecasting, inventory management and real-time data integration designed for the speed and precision that this channel demands. We are already seeing encouraging outcomes with service levels improving by 1,400 basis points over the past year and lead time taken from PO generation to servicing reducing by 20%. Together, these integrated capabilities are helping HUL consistently deliver the right product, pack, price and proposition across every channel, to serve the consumers in their omni-channel shopping journey.

4. Trend: AI-led Personalisation accelerated across the FMCG Value Chain

AI-led personalisation and automation-heavy supply chains are reshaping the future of the FMCG sector, fundamentally altering how brands understand, engage and serve consumers. Across the industry, companies are increasingly using AI to decode micro-behaviours, personalise content at scale, optimise offers, and tailor product recommendations across digital platforms. In parallel, supply chains are being rewired with data-led planning, predictive analytics, robotics, and automated warehousing to

improve speed, accuracy and resilience. As channels fragment and consumer journeys become more non-linear, AI-powered insights and automated fulfilment systems are becoming critical enablers of precision, agility and cost efficiency. FMCG players that can integrate at scale, the advanced analytics across demand forecasting, inventory management, route-to-market and consumer engagement, will be better positioned to deliver relevance with speed, while navigating rising complexity.

HUL's response: HUL has accelerated the adoption of AI and automation by embedding data-driven decision making and digital tools across the value chain, from demand sensing to last-mile execution. On the marketing side, the Company leverages its AI-driven media tool, 'Sangam', to deliver hyper-personalised communication, precision targeting and dynamic content optimisation across social, e-commerce and quick commerce ecosystems. Marketing campaigns have leveraged AI-driven hyper-personalisation, to enhance both reach and relevance, as demonstrated by initiatives from brands such as Bru (Bru Minder campaign) and Closeup (Valentine's Day Love Tune campaign). HUL's digital supply chain has been further strengthened through predictive forecasting models, automated replenishment engines and smarter planning systems, supported by 4th-generation manufacturing technologies, with five factories in India recognised globally by World Economic Forum as Lighthouse sites for their advanced automation and digital operations. In sales, AI capabilities have been deployed at scale through 'Shikhar', enabling sharper in-market execution, outlet-level intelligence and micro-market interventions for frontline teams. In Finance, AI-enabled forecasting models are enhancing accuracy and speed in planning, while structured learning programmes are equipping employees across functions with AI and analytics skills. Together, these advances enable HUL to improve its operational precision, responsiveness and efficiency, helping deliver the right message, product and service to consumers with enhanced agility.

5. Trend: Health, Wellbeing & 'Better-for-you' Demand Surge

Consumers are increasingly prioritising health, wellbeing and 'Better-for-you' choices, reshaping demand across the FMCG sector. This shift is driven by rising affluence, heightened awareness of nutrition, skin health and ingredient safety, alongside rising interest in functional benefits, immunity-building and clean-label propositions. Categories such as healthy-snacking, fortified foods and beverages, natural personal care and science-backed skincare

continue to gain traction. Shoppers are paying closer attention to product claims, ingredient transparency and clinical or science-backed efficacy, while digital platforms amplify conversations around wellness, self-care and mindful consumption. As health becomes a lifestyle aspiration rather than a reactive need, brands that blend efficacy, trust and transparent storytelling are emerging as the front-runners of this structural demand shift.

HUL's response: HUL has been at the forefront of this transformation by reshaping its portfolio to meet growing consumer aspirations. In the Health & Wellbeing vertical, OZiva has strengthened Company's presence in science-led, clean-label supplements while Liquid I.V. has emerged as a player in functional hydration space. In Beauty & Wellbeing, HUL has continued to scale science-backed brands like Simple and Minimalist, containing active ingredients and transparent formulations. Across categories, the Company has modernised product architectures with cleaner formulations, reduced chemicals of concern and more natural or efficacious ingredients. In Foods, the focus remains on nutritional improvements. For instance, Horlicks has been relaunched with superfoods to support immunity and gut health, aligning with consumer demand for functional nutrition. The brand has also introduced a zero added sugar variant, appealing to those seeking healthier alternatives. In addition, Horlicks has broadened its portfolio by launching the Horlicks Protein range, specifically designed for individuals aiming to boost their protein intake and support their overall wellbeing. Home Care has advanced gentler yet superior cleaning solutions in dishwashing liquids. Together, these actions position HUL to win in a market where trust and transparency, continue to be the major drivers of long-term growth.

6. Trend: Sustainability, Ethical Consumption & Circular Packaging

Consumers are increasingly making purchasing decisions through the lenses of sustainability, ethical sourcing and environmental responsibility. Across FMCG categories, demand is rising for products with lower environmental footprints, responsibly-sourced ingredients, reduced plastic, and transparent sustainability claims. Regulatory pressure, especially on plastic waste management, Extended Producer Responsibility (EPR), traceability and disclosure, is accelerating this shift. Companies are being encouraged to adopt circular packaging solutions, such as recycled content, refill models and lightweight formats, while consumers increasingly reward brands that demonstrate credible commitments to climate, water and waste reduction. As self-care and planet-care become intertwined, sustainability is



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evolving from a hygiene factor into a core driver of brand trust, differentiation and long-term growth in the FMCG sector.

HUL's response: HUL has embedded sustainability into its growth model by accelerating efforts across the four pillars of climate, nature, plastics and livelihood. The Company continues to advance its plastic-neutrality and circular-packaging agenda through Project Circular Bharat which scaled to 10+ cities creating the potential to divert over 100,000 tonnes of waste from landfills annually. Further, the Company is expanding use of Post-Consumer Recycled (PCR) plastic and reducing usage of virgin plastic. Today, more than 25 brands incorporate PCR in their products. In Home Care and Beauty & Wellbeing, HUL has modernised brand formulations to be more biodegradable and environmentally considerate, while scaling concentrated formats that lower plastic, water and energy usage across the value chain. The Company has strengthened responsible sourcing programmes and advanced its climate commitments through energy-efficient operations and renewable energy integration. Alongside this, HUL leverages partnerships with waste management organisations and community programmes to support waste segregation and collection. HUL's collaboration with UNDP, to transition informal sector waste management workers into mainstream workforce, now reaches 35,000 workers, accelerating integration and unlocking more sustainable livelihood opportunities. Together, these actions position HUL as a leader in shaping a more sustainable, inclusive and circular FMCG ecosystem.

Our Risks and Opportunities

Ensuring Resilient Growth Through Robust Risk Management

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

Our Risk Governance Framework

Our risk management approach is deeply embedded within our corporate governance framework, ensuring a structured and proactive response to emerging challenges. We have set Business Risk Assessment procedures for self-assessment of business risks, operating controls and compliance with

Corporate Policies. It is a proactive and business-centric review process that enables management to maintain a risk profile associated with transactional controls at an acceptable level. This continuous process tracks the evolution of risks and the delivery of mitigating action plans.

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

Our Risk Governance Structure



Risk Management Process





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Plastics Packaging

Category of Risk: Environmental & Regulatory Risk

Level of Change: Increased

Plastic packaging ensures product safety and convenience, but its environmental impact and evolving regulations necessitate a strategic shift towards circular economy principles. Increasing sustainability expectations, regulatory demands, and material cost pressures underscore the need to reduce virgin plastic usage, improve recyclability, and innovate affordable, high-quality packaging solutions.

Our approach integrates sustainability into packaging and business decision-making through the following focused actions:

Additional Risk Considerations

Capital Impacted:

- Natural Capital
- Social & Relationship Capital
- Manufactured Capital

Impacted SDGs:



- Circular Economy Practices:** Partnering with NGOs and waste management agencies to strengthen plastic collection, recovery, and recycling, while advancing responsibly-sourced materials, deforestation-free supply chains, and regenerative agricultural practice.
- Alternative Formats:** R&D advancements for alternate materials like paper and upgrading single-use formats to improve sustainability and performance.
- Innovation in Sustainable Packaging:** We are committed to making 100% of our plastic packaging reusable, recyclable, or compostable to reduce dependence on virgin plastic without compromising product integrity and quality.

“**Embedding sustainability and packaging innovation into our business model, we are building a future-ready, low-waste world, driving resilience, innovation, and long-term growth while meeting evolving consumer expectations and regulatory commitment.**”

System & Information

Category of Risk: Operational Risk

Level of Change: No change

As we deepen our digital engagement with consumers, suppliers, and partners, the threat landscape continues to evolve with an increasing risk of cyberattacks, data breaches, and system disruptions. Unauthorised access, misuse of sensitive data, and disruptions in IT infrastructure could impact business operations, hinder sales, disrupt supply chains, and compromise consumer trust. Moreover, the growing reliance on third-party technology providers and cloud-based solutions introduces additional complexities in managing IT security. Safeguarding our IT ecosystem remains a top strategic priority.

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

Additional Risk Considerations

Capital Impacted:

- Intellectual Capital
- Financial Capital

Impacted SDGs:



- Advanced Cybersecurity Infrastructure & Threat Monitoring:** We have expanded detection, monitoring and incident response capabilities across all HUL systems.
- Employee Awareness & Cybersecurity Training:** We conduct periodic cyber security trainings and awareness programs to keep employees vigilant and prepared against cyber threats.
- Third-Party and Vendor Risk Management:** We have uplifted our third-party risk management processes and reviewed all applicable IT vendors to reduce external exposure.
- Cloud-Based Resilience & Data Protection:** System architecture on cloud is built with multi-level redundancy and disaster recovery mechanisms, ensuring business continuity with minimal downtime.
- Disaster Recovery and Response:** We have established streamlined processes for rapid response and recovery from third-party incidents, where necessary, to minimise impact.

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

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

Maintaining uncompromising standards of quality, safety, and transparency is fundamental to our operations. Raw material contamination, product defects, human errors, equipment malfunctions, or labelling inaccuracies can have far-reaching consequences, impacting consumer health, brand reputation, and regulatory compliance. Any failure to maintain high safety standards could erode consumer trust, disrupt operations, and lead to potential liabilities. In an era of heightened consumer awareness, delivering safe, high-quality products is essential.

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

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

Additional Risk Considerations

Capital Impacted:

- Manufactured Capital
- Social & Relationship Capital

Impacted SDGs:



“The highest standards of safety and quality are not just goals; they are our promise to consumers, ensuring trust, excellence, and well-being in every product we produce.”

Opportunities

Opportunity: India as a Consumption-led Growth Engine

India represents one of the most compelling long-term growth opportunities globally, underpinned by scale, favourable demographics and structural tailwinds. A young and expanding working-age population, rising urbanisation, increasing formalisation and rapid digital adoption are fundamentally reshaping consumption patterns.

India’s per-capita FMCG consumption remains materially below that of comparable developing markets, underscoring significant headroom for convergence. For HUL, this translates into a multi-decade opportunity to participate in and help shape the next phase of India’s consumption journey

Strategic Response

- 1. Expanding the Consumption Base:** Further deepen penetration across categories and geographies by addressing under-served consumers through affordable entry points, relevant formats and wider access.
- 2. Strengthening Reach Beyond Metros:** Accelerate growth in Tier-2, Tier-3 cities and rural markets by leveraging improving infrastructure, an expanded distribution footprint and digitally-enabled sharp execution.

Additional Considerations:

Capital Impacted:

- Financial Capital
- Intellectual Capital
- Social Relationship Capital

Impacted SDGs:



“India’s scale, diversity and evolving consumption patterns create enduring headroom to grow FMCG and for HUL, a clear runway to serve the aspirations of evolving consumers through building modern, desirable brands.”



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Opportunity: Premiumisation in an Aspirational India

India's evolving consumers are increasingly trading up, seeking products that combine superior performance, elevated experiences and cultural relevance. Premiumisation is no longer niche; it is becoming mainstream, driven by rising aspirations, exposure to global trends and a shift towards self-expressive consumption. This creates a structural opportunity to unlock higher value growth while strengthening brand equity and loyalty.

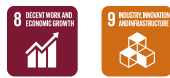
Winning in premium requires more than price elevation. It demands brands that are distinctive, desirable and deeply in tune with contemporary culture. Brands that consistently blend science-led superiority, sensorial indulgence and in-culture relevance are best placed to move consumers up the value ladder at scale.

Additional Considerations:

Capital Impacted:

- ₹ Financial Capital
- Intellectual Capital
- Social Relationship Capital

Impacted SDGs:



Strategic Response

We are building modern, desirable brands anchored in a clear and repeatable SASSY-led framework, enabling faster innovation, sharper marketing choices and consistent premium cues to drive scalable premium growth with speed and discipline.

- Science** – Category-redefining ingredient science that delivers visible, credible superiority.
- Aesthetics** – Premium, modern and aspirational design that is glamorous yet accessible.
- Sensorials** – Rich, immersive experiences that elevate everyday usage moments.
- Said by Others** – Stylist and in-culture advocacy that fuels credibility and desirability.
- Youthful** – Contemporary, Gen-Z-led expressions that feel real, effortless and relevant.



By combining science-led superiority with cultural desirability, we are making premium - aspirational yet scalable, driving sustained value growth across evolving consumer segments.

Opportunity: AI Adoption

Rapid advances in artificial intelligence are reshaping how organisations drive performance, make decisions and create competitive advantage. AI presents a powerful opportunity to enhance productivity, improve agility and unlock value across the value chain. By embedding AI into core processes and decision-making, supported by strong data foundations, governance and capability build-out, we can accelerate execution, sharpen consumer responsiveness and future-proof our operating model in a rapidly evolving business environment.

Additional Considerations:

Capital Impacted:

- Intellectual Capital
- Human Capital
- ₹ Financial Capital
- Manufactured Capital

Impacted SDGs:



Strategic Response

- Supply Chain:** Leveraging AI-powered demand forecasting for more accurate planning, implementing cutting edge Industry 4.0 technologies within the supply chain ecosystem
- Sales and Marketing:** Deploying comprehensive digital solutions within our sales and marketing functions to optimise customer engagement and drive growth.
- Brand Persona Agent:** Translating insights into tailored consumer approaches, including tone, hooks & channels.



AI recommends. Humans decide. Together, they power a truly agentic brand ecosystem.



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Key Financial Ratios (Standalone)

Particulars	FY 2025-26	FY 2024-25
Return on Net Worth (%)	31.8	21.2
Return on Capital Employed (%)	110.9	108.2
Trade receivables Turnover (no. of times)	18.9	19.8
Inventory Turnover (no. of times)	14.4	15.2
Interest coverage ratio	109	100.5
Debt Service Coverage Ratio (no. of times)	21.9	20.5
Current ratio (no. of times)	1.2	1.3
Debt Equity ratio (no. of times)	0.0	0.0
Operating profit margin (%)	21.7	21.5
Net profit margin (%)	18.0	17.5

Explanation for ratios with movement of >25%: Improvement in Return on Net Worth from 21.2% to 31.8% is on account of exceptional gain arising on demerger of Ice Cream business. In the absence of the exceptional gain from the demerger of Ice Cream business, Return on Net Worth would be 22.4%.

Note: Ratios for the FY ended 31st March, 2026 have been computed based on Continuing Operations following the demerger of the Ice Cream Business (excluding Debt Service Coverage Ratio). Accordingly, the ratios for the FY ended 31st March, 2025 are not strictly comparable.

Explanation to Key Financial Ratios

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

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

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

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

(iii) **Trade receivables Turnover**

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

(iv) **Inventory Turnover**

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

(v) **Interest Coverage Ratio**

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

(vi) **Debt Service Coverage Ratio**

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

(vii) **Current Ratio**

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

(viii) **Debt Equity Ratio**

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

(ix) **Operating Profit Margin (%)**

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

(x) **Net Profit Margin (%)**

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



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Other Financial Disclosures

There were no revisions to the financial statements and the Board's Report of the Company during the year under review. Further, there were no material changes and commitments affecting the financial position of the Company which occurred between the end of the FY 2025-26 and the date of this Integrated Annual Report.

During the FY 2025-26, there was no amount proposed to be transferred to the reserves.

The Company manages cash and cash flow processes assiduously, involving all parts of the business. The table below sets out the details of capital expenditure and cash and bank balances for the year, presented in comparison with the FY 2024-25.

	(₹ in crores)	
	FY 2025-26	FY 2024-25
Capital Expenditure (including Intangible Assets)	1,274	1,149
Cash and Bank balance	2,830	7,293

The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise. Foreign Exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially significant uncovered exchange rate risks in the context of Company's imports and exports. The Company accounts for mark-to-market gains or losses every quarter end in line with the requirements of Ind AS 21.

Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo as required under Section 134 of the Companies Act, 2013 (the Act) and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

	(₹ in crores)	
	FY 2025-26	FY 2024-25
Foreign exchange earnings	1,466	1,485
Foreign exchange outgo	6,818	6,281

Includes all Indian subsidiaries, excludes Unilever Nepal Limited.

Performance of Subsidiaries

As on the date of this Integrated Annual Report, the Company has 11 direct subsidiaries and eleven step-down subsidiaries. A list of the companies that were considered in the Consolidated Financial Statements (CFS) for the FY ended 31st March, 2026 is included in the notes to the CFS. The CFS, prepared in accordance with Section 129(3) of the Act, and the applicable Accounting Standards, forms part of this Integrated Annual Report. Additionally, a separate statement containing the salient

features of the financial statements of all subsidiaries and joint venture, in prescribed Form AOC-1, is also included. This statement provides details of the performance and financial position of each subsidiary and the performance of the joint venture. The audited financial statements, together with related information and other reports of each of the subsidiary companies are available on the Company's website at <https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/>. The summary of performance of the Company's subsidiaries is provided as below:

Unilever India Exports Limited

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

Lakme Lever Private Limited

Lakme Lever Private Limited (LLPL) is a wholly owned subsidiary of the Company. LLPL is engaged in the salons business and also operates a manufacturing unit at Gandhidham, Gujarat which carries out job work operations for HUL. LLPL crossed the key milestone of 500 salons including owned and managed & franchisee formats. The extended team comprising the housekeeping staff, experts, salon managers and business partners were trained and audited continuously to ensure complete adherence to protocols.

Innovations like K-Ssence Hair & Skin (own range of Korean services adapted to Indian conditions) as well as Unilever owned Nexxus added excitement to Lakmē salon's comprehensive Runway Secrets portfolio. Thematic campaigns – 'Double the Love', 'Good Hair Day', 'Skin Investment Plan' and 'Happy New You' continued helping gain new clients and sustain existing ones.

Unilever India Limited

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

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

Unilever Nepal Limited

Unilever Nepal Limited (UNL) is a subsidiary of the Company listed on the Nepal Stock Exchange and is engaged in the manufacture and marketing of products across Beauty & Wellbeing, Personal Care and Home Care in Nepal for over three decades. During the year, UNL operated in an exceptionally challenging environment marked by continued liquidity constraints, subdued consumer demand and significant nationwide disruptions arising from widespread Gen Z-led protests, which adversely impacted business operations and market activities for a sustained period. These unprecedented external factors weighed on UNL's performance and profitability during the year. Notwithstanding these short-term headwinds, the impact is considered transitory in nature. UNL continued to protect its consumer franchise through calibrated investments in brand support and maintained focus on operational resilience and cost discipline. With the stabilisation of the operating environment and subsiding disruptions, the business remains well positioned to recover and return to its underlying growth trajectory in the medium term.

Zywie Ventures Private Limited

The Company operates its business under brand 'Oziva'. Oziva is a well-known health and wellness brand that offers a range of nutritional supplements and wellness products.

Founded in 2016, Oziva aims to provide effective and scientifically backed solutions to support individuals in their journey towards a healthier and more active lifestyle.

The brand's product line includes supplements designed to address specific health goals such as weight management, muscle building, skincare, and overall well-being. Oziva places a strong emphasis on using natural and clean ingredients, and their products are free from artificial sweeteners, preservatives, and harmful chemicals. They prioritise the use of high-quality plant-based ingredients to create their formulations, making their products suitable for individuals following various dietary preferences, including vegan and vegetarian diets.

Uprising Science Private Limited

During the year under review, the Company acquired 90.5% stake in Uprising Science Private Limited on 21st April, 2025. It is a subsidiary of the Company and manufactures, distributes, and markets actives-led skincare and haircare products in the FMCG segment under the "Minimalist" brand. It is built on an ethos of transparency, which is not just a brand value but is a business model that works around scientific and ingredient-led honesty. Its portfolio includes cleansers, serums, moisturisers, sunscreens, and haircare products. The company offers highly efficacious & targeted solutions for a variety of skin, hair and body concerns.

Hindustan Unilever Foundation

Hindustan Unilever Foundation (HUF) is a not-for-profit company that anchors water awareness, access and management related community development and

sustainability initiatives of the Company. HUF operates the 'Water for Public Good' programme, with a specific focus on water conservation, building local community institutions to govern water resources and enhancing farm-based livelihoods through adoption of judicious water practices. It aims to catalyse effective solutions to India's water challenges through a partnership approach involving the Government, communities, experts and mission-based organisations. HUF partners with non-profit organisations in water-stressed regions across the country to support rural communities with water conservation and regenerative agricultural practices amongst farmers. The initiative has delivered a cumulative and collective water potential of over 4.5 trillion litres through improved supply and demand water management, over 2.7 million metric tonnes of additional agricultural and biomass production, and over 125 million person-days of employment due to project interventions. Till now, HUF's programmes have reached more than 19,000 villages across India.

Other Subsidiaries

Daverashola Estates Private Limited is a subsidiary of the Company which currently has no business activity. There is an ongoing litigation on the property owned by the company in Tamil Nadu. Levers Associated Trust Limited, Levindra Trust Limited and Hindlever Trust Limited, subsidiaries of the Company, act as trustees of the employee benefits trusts of your Company.

On 1st December, 2025, Kwality Wall's India Limited (KWIL) ceased to be a subsidiary of the Company following the demerger of Ice Cream business.

Other Statutory Information

Audit Committee & Auditors

Audit Committee

The Board has constituted an Audit Committee that performs the roles and functions mandated under the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and other matters as prescribed by the Board from time to time. During the year under review, all recommendations of the Audit Committee were accepted by the Board.

In accordance with the circular dated 7th January, 2026 issued by the National Financial Reporting Authority, the Board, at its meeting held on 30th April, 2026, upon the recommendation of the Audit Committee and in consultation with the Statutory Auditors, approved the framework to ensure effective two-way communication between Those Charged with Governance and the Statutory Auditors.

For further details on the composition of the Audit Committee, its terms of reference and attendance at its meetings, please refer to the Corporate Governance Report at pages 219 to 220.



Report of the Board of Directors and Management Discussion & Analysis

Statutory Auditors

In terms of provisions of Section 139 of the Act, M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), were appointed as Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of 91st Annual General Meeting (AGM) till the conclusion of the 96th AGM to be held in the year 2029.

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

The Report given by the Statutory Auditors on the financial statements of the Company is part of this Integrated Annual Report. The said Report was issued by the Statutory Auditors with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Statutory Auditors have filed a report under Section 143(12) of the Act in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. However, they have not reported any instances of frauds committed in the Company by its officers or employees involving an amount of less than ₹1 crore to the Audit Committee or Board under Section 143(12) of the Act. Therefore, no detail is required to be disclosed in the Director's Report under Section 134(3)(ca) of the Act.

The Audit Committee periodically assesses the independence of the Statutory Auditors through annual affirmation, review of non-audit services, and evaluation of internal controls and safeguards designed to mitigate potential conflicts of interest.

During the year, the Audit Committee met with the Statutory Auditors without the presence of Management.

Secretarial Auditors

In terms of provisions of Section 204 of the Act and Regulation 24A of Listing Regulations, M/s. Parikh & Associates, Company Secretaries (ICSI Unique Code: P1988MH009800), were appointed as Secretarial Auditors of the Company, for a term of five consecutive years i.e. from FY 2025-26 to FY 2029-30.

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

The Secretarial Audit Report, which forms part of this Integrated Annual Report, and Secretarial Compliance Report for the FY 2025-26, do not contain any qualification, reservation, or adverse remark. During the year under review, the Secretarial Auditors have not reported any instances of fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

Cost Records and Cost Audit

In terms of provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is applicable for businesses such as coffee, insecticides, organic and inorganic chemicals, petroleum products and tea. The accounts and records for the above applicable businesses are made and maintained by the Company as specified by the Central Government under Section 148 (1) of the Act.

The Board, based on the recommendation of the Audit Committee, has appointed M/s. R Nanabhoy & Co., Cost Accountants (Firm Registration No. 000010) as Cost Auditors for the FY 2026-27. M/s. R Nanabhoy & Co., being eligible, have consented to act as the Cost Auditors of the Company for the FY 2026-27.

The remuneration of ₹17.01 lakhs (Rupees Seventeen lakhs and One Thousand only) exclusive of taxes and out-of-pocket expenses incurred in connection with the aforesaid audit, is proposed to be paid to the Cost Auditors, subject to ratification by the Members of the Company at the ensuing AGM.

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

The Cost Audit Report issued during the FY 2025-26, does not contain any qualification, reservation, or adverse remark. During the year under review, the Cost Auditors have not reported any instances of fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

For further details on the proposed ratification of remuneration payable to the Cost Auditors, please refer to the Notice of the 93rd AGM at page 458.

Internal Audit and Internal Financial Controls

The Company has a comprehensive framework for Internal Financial Controls (IFC) that integrates internal audit, enterprise risk management and compliance monitoring. The internal control environment is supported by an independent Internal Audit Department complemented by outsourced audit teams. In line with its oversight responsibilities, the Audit Committee annually approves a risk-based Internal Audit Plan, which covers internal controls and risks across factories, sales offices, warehouses and centrally managed businesses and functions. Each quarter, the Audit Committee reviews significant audit observations, together with the status of remediation actions. The Company's Business Risk Assessment procedures facilitate periodic self-assessment of business risks, operating controls and compliance with Corporate

Policies, thereby ensuring continuous monitoring of risk evolution and mitigation measures.

The Company's IFC framework is designed in accordance with the Committee of Sponsoring Organisations (COSO) principles and is commensurate with the scale and complexity of operations, meeting the requirements of the Act. This framework is anchored in the 'three lines of defence' model, supported by detailed Standard Operating Procedures and Policies governing business operations. Unit heads are accountable for ensuring adherence to such policies, while robust monitoring mechanisms enable early identification of risks and control gaps. The Management, together with the Statutory and Internal Auditors, undertakes regular testing of the control environment to assess design effectiveness and operating effectiveness.

Assurance on compliance with the Code of Business Principles (Code) and the associated Code Policies is obtained annually through a formal declaration from Management. Targeted training and awareness programmes are conducted across the organisation based on business needs. An integrated assurance map is maintained across principal risks to ensure appropriate mitigation through the 'three lines of defence'. The Internal Audit function provides independent and objective assurance to Management and the Board on the adequacy and effectiveness of the Company's risk management and internal control systems, with the use of data and analytics further enhancing audit coverage and efficiency. Fraud risk assessments are carried out proactively across key functions to detect control vulnerabilities. The Audit Committee reviews quarterly and annual reports on audit outcomes, follow-up actions and the overall control environment.

The Internal Auditor reports functionally to the Audit Committee and administratively to the Chief Financial Officer, and participates in meetings of the Audit Committee and, where required, the Risk Management Committee. During the year, the Audit Committee also conducted exclusive sessions with the Internal Auditor without the presence of Management, strengthening the effectiveness of independent oversight.

The Company has an established Internal Audit Charter that clearly defines the mandate, scope, reporting structure, authority and responsibilities of the Internal Audit function, thereby reinforcing the governance framework. The Charter is available on the Company's website at <https://www.hul.co.in/investors/corporate-governance/corporate-information/>.

Related Party Transactions

The Company has an established and well-governed framework for the approval and monitoring of Related Party Transactions (RPTs). In accordance with the Act and the Listing Regulations, the Board has adopted a comprehensive Policy on Materiality of Related Party Transactions and

Dealing with Related Party Transactions (RPT Policy), which sets out the principles, approval matrix and disclosure requirements applicable to all RPTs. The Policy is available on the Company's website at <https://www.hul.co.in/investors/corporate-governance/policies/>.

As part of the annual planning cycle and prior to the commencement of each FY, the particulars of all proposed RPTs, including projected values, pricing methodology, commercial terms and other key parameters, are placed before the Audit Committee for its review and approval, and thereafter noted by the Board. Directors having any interest in a transaction abstain from participation in the discussions on that item. During FY 2025-26, any new RPTs or modifications to the limits or terms of previously approved RPTs were similarly placed before the Audit Committee for prior approval. In addition, the Audit Committee undertakes a quarterly review of all RPTs. All RPTs are also subjected to an independent review by a reputed accounting firm to verify compliance with the provisions of the Act and the Listing Regulations, and to validate adherence to the arm's length principle.

All RPTs entered into during the year were in the ordinary course of business and on an arm's length basis. The Company did not enter into any Material RPTs during the year. Accordingly, the disclosure of details under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

Corporate Social Responsibility Policy and Initiatives

At HUL, our belief that sustainable business drives superior performance is deeply embedded in the way we operate. We remain committed to long-term, responsible growth and to advancing positive outcomes for People and the Planet, fostering a fairer and more inclusive world in which societal progress is harmonised with environmental stewardship.

Our Corporate Social Responsibility (CSR) approach goes beyond traditional philanthropy and is anchored in holistic community development, institution-building and sustainability-led interventions. The Company's CSR programmes focus on water conservation, health and hygiene, waste management, regenerative agriculture, skill development, education, social advancement, gender equality, women empowerment and rural development. These integrated initiatives aim to deliver meaningful and measurable impact, contributing to broader national development priorities while advancing community wellbeing.

The Company's CSR Policy, as approved by the Board, outlines the governance framework, guiding principles and implementation mechanisms for CSR activities. The Policy is available on the Company's website at <https://www.hul.co.in/investors/corporate-governance/corporate-social-responsibility/>.



Report of the Board of Directors and Management Discussion & Analysis

For details on our CSR Initiatives please refer to our Annual Report on CSR at page 114.

Business Responsibility and Sustainability Reporting

In addition to Annual Report on CSR, the Company also publishes a comprehensive Business Responsibility and Sustainability Report (BRSR), in compliance with Regulation 34 of the Listing Regulations. The BRSR outlines the Company's performance across environmental, social and governance (ESG) parameters, including responsible business conduct, resource efficiency, climate resilience, circularity, labour practices, community development, and ethical governance. The disclosures provide stakeholders with a transparent assessment of the Company's sustainability commitments, outcomes and progress against its long-term goals, further reinforcing HUL's integrated approach to responsible business.

The BRSR is available as a separate section of this Integrated Annual Report at page 128.

Material Developments in Human Resource Front

The Company remains committed to fostering a culture that prioritises employee wellbeing and supports continuous learning and development, recognising these as essential enablers of long-term organisational success. During the year, we strengthened this focus by investing over 1,00,000 hours in learning and development programmes. Our well-established people policies promote a positive, enabling work environment that empowers employees to perform at their best and consistently deliver strong outcomes. We continue to lead in inclusion through pioneering initiatives and progressive policies, and as a result, the Company has sustained its position as the #1 Employer of Choice across sectors in leading business schools and as the preferred employer for women.

For further details on the material developments in Human Resource front, please refer to the Stakeholder Engagement and Review section at page 70.

Employee Stock Option Plan (ESOP)

The employees of the Company are eligible to participate in Unilever's share-based reward programmes, namely the Annual Share Plan (ASP), the Performance Share Plan (PSP) and the SHARES Plan.

Junior and middle management are covered under the ASP. For 2026, ASP grants were determined based on the Personal Differentiation Factor (PDF), which reflects an individual's impact, leadership and future fitness, with a range of 0%–200%. ASP awards vest after a 3 year period without any business performance conditions. The target ASP award is equivalent to 50% of the target bonus for junior management and 100% for middle management.

Senior management are eligible for the PSP. Similar to the ASP, 2026 PSP grants were determined based on based on the PDF (0%–200%). PSP awards vest after 3 years, based on the Company's performance against defined metrics, namely Underlying Sales Growth, Relative Total Shareholder Return, Underlying Return on Invested Capital and the Sustainability Progress Index. PSP awards may vest between 0% and 200% of the grant, depending on performance achieved. The target PSP award is equivalent to 100% of the target bonus.

In 2024, based on shareholder approval vide resolution dated 5th March 2024, the Company introduced the Hindustan Unilever Limited Performance Share Plan Scheme 2024 (HUL PSP Scheme 2024 / the Scheme). The Scheme aims to attract and retain talent, motivate employees through long-term incentives, align their interests with sustainable shareholder value creation, and foster a sense of ownership. Under the Scheme, eligible employees receive 38% of their ASP/PSP award denominated in HUL shares, with the balance 62% continuing to be denominated in Unilever PLC shares. All grants under the Scheme are considered and approved by the Nomination and Remuneration Committee. The valuation and vesting conditions remain consistent with the Unilever ASP/PSP reward framework. All other employees under the Unilever ASP/PSP plans remain eligible for 100% PLC-denominated shares.

The HUL PSP Scheme 2024 has been instituted in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). Disclosures required under the SBEB Regulations, as well as the Secretarial Auditor's certificate on the implementation of the 2021 Plan in accordance with Regulation 13 of the said Regulations, are available on the Company's website at: <https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/>. The Company has also complied with the applicable accounting standards.

Under the SHARES Plan, eligible employees may invest in Unilever PLC shares up to a specified limit. After 3 years, one matching share is awarded for every three shares invested, subject to plan conditions. Unilever PLC charges the Company based on the market value of shares granted on the exercise date.

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

Particulars of Employees and Related Disclosures

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

The statement containing particulars of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) and 5(3) of the Rules, forms part of this Report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Shareholders, excluding the aforesaid statement. The statement is open for inspection upon request by the Shareholders, and any Shareholder desirous of obtaining the same may write to the Company at levercare.shareholder@unilever.com.

Dividend

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

The details of dividend paid / recommended during the FY 2025-26 is as under, presented in comparison with the FY 2024-25:

	FY 2025-26		FY 2024-25	
	Dividend per share (in ₹)	Dividend payout (₹ in crores)	Dividend per share (in ₹)	Dividend payout (₹ in crores)
Interim dividend	19	4,464.22	19	
Special dividend	-	-	10	6,813.81
Final dividend	22*	5,169.10	24	5,639.02
Total dividend	41	9,633.32	53	12,452.83
Payout ratio (interim and final dividend)#		87%		95%

*The Final Dividend, subject to the approval of Members at the AGM on or after Tuesday, 30th June, 2026, will be paid on or after Friday, 3rd July, 2026, to the Members whose names appear in the Register of Members, as on Tuesday, 23rd June, 2026, being the Record Date).

#Payout ratio is computed as a percentage of PAT from continuing operations.

In accordance with the Income Tax Act, 1961, the Company is required to pay or distribute dividends after deducting applicable withholding taxes. Dividend remittances to shareholders outside India are governed by Indian foreign exchange regulations and are also subject to withholding tax at the prescribed rates.

For further details related to TDS on dividend, please refer to the Notes to Notice of the 93rd AGM at pages 446 and 447.

Unpaid / Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹17.89 crores (Rupees Seventeen crores and Eighty Nine lakhs only) of unpaid / unclaimed dividends were transferred during the year to the Investor Education and Protection Fund (IEPF).

For details of unclaimed dividends and equity shares liable to be transferred to the IEPF, please refer the Corporate Governance Report at page 249.

Demerger, Acquisitions & Divestment

Demerger of Ice Cream Business

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

comprehensive review of the Ice Cream Business in India. At its meeting held on 22nd January, 2025, after an in depth analysis of the options available and based on the recommendation of the Independent Committee and the Audit Committee, the Board accorded its approval to the Scheme of Arrangement amongst the Company and KWIL and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Act (Scheme) to demerge the Company's Ice Cream Business into KWIL.

The Scheme was approved by the Shareholders with an overwhelming majority at the National Company Law Tribunal, Mumbai Bench (NCLT)-convened meeting held on 12th August, 2025. It was subsequently sanctioned by the NCLT vide its Order dated 30th October, 2025 read with Rectification Order dated 6th November, 2025. Following completion of the requisite statutory filings, the Scheme became effective on 1st December, 2025.

In accordance with the Scheme, all Shareholders of the Company as on the record date of 5th December, 2025 received one share of KWIL for every share held in the Company. In order to ensure seamless separation of the Ice Cream Business, the Company had constituted a dedicated separation team with cross functional representation under the direct supervision of the members of the Management Committee. The separation team was responsible for a seamless transition of the Ice Cream Business to KWIL, with minimal disruption to business operations.



Report of the Board of Directors and Management Discussion & Analysis

The equity shares of KWIL were listed on the stock exchanges on 16th February, 2026.

The completion of the Scheme provides the Shareholders with the flexibility to stay invested in the growth journey of the Ice Cream Business under KWIL.

Acquisition of balance 49% stake in Zywie

At its meeting on 12th February, 2026, the Board approved the acquisition of the balance stake of 49% in Zywie for a consideration of ₹824 crores (Rupees Eight Hundred Twenty Four crores only), as per the pre-agreed valuation framework, in accordance with the terms and conditions of the Share Subscription and Share Purchase Agreement dated 8th December, 2022 and other documents executed pursuant thereto. Consequent to the above acquisition of balance stake in Zywie on 13th February 2026, Zywie (and its wholly owned subsidiary Zenherb Labs Private Limited) have become wholly owned subsidiaries of the Company.

Since entering the Health & Wellbeing category through the acquisition of a 51% stake in Zywie in 2023, the Company has focused on establishing a strong presence in this fast-growing segment. Zywie has delivered robust performance following the Company's majority investment, scaling to approximately ₹480 crores (Rupees Four Hundred and Eighty crores) in 2025 and achieving a CAGR of ~130% over the last two years. This growth has been driven by a sharpened portfolio strategy and the realisation of significant synergies across the HUL ecosystem.

Divestment of minority stake in Nutritionalab Private Limited

At its meeting on 12th February, 2026, the Board approved the divestment of minority stake of 19.8% in Nutritionalab Private Limited (Nutritionalab) for ₹307 crores (Rupees Three Hundred and Seven crores only). The transaction delivered greater than four times return on the Company's initial investment in 2023, creating substantial value for Shareholders. The divestment aligns with the Company's strategy of continued portfolio transformation through fewer, bigger bets and was completed on 4th March, 2026. Consequently, Nutritionalab ceased to be a Joint Venture of the Company.

Other Investment

During the year, the Company also completed the acquisition of additional 1,02,63,744 equity shares of Transition Sustainable Energy Services One Private Limited (SPV) for a consideration of ₹10.26 crores (Rupees Ten crores and Twenty Six lakhs only), in accordance with the terms and conditions of the Transaction Documents dated 18th January, 2024. Following the acquisition, the Company now holds a 27.66% stake in the SPV.

The Company has received a certificate from the Statutory Auditors confirming compliance with FEMA Regulations for the downstream investment(s) completed during the year.

Particulars of Loan, Guarantee or Investments

Details of loans, guarantee or investments made by the Company under Section 186 of the Act, during FY 2025-26 are appended as an Annexure to this Integrated Annual Report.

Governance, Compliance and Business Integrity

The Legal function of the Company remains a crucial business partner, offering solutions to safeguard the Company and help it thrive in a complex and unpredictable environment. By emphasising 'Value with Values,' the function provides strategic business support in areas such as product claims, litigation management, mergers and acquisitions, legislative changes, combating unfair competition, business integrity, and governance. The function proactively advances the Company's growth agenda, shapes policy, anticipates emerging risks, and drives forward-looking initiatives that strengthen resilience and competitiveness. It is equally committed to embedding ethics and integrity into decision-making, reinforcing a culture of accountability across the organisation.

The Legal function operates with a digital-first approach, embedding advanced technology and data analytics into its workflows to enable proactive risk identification, streamlined operations, and informed decision-making. It provides global regulatory intelligence by monitoring and interpreting evolving laws across jurisdictions, helping the Company stay ahead of compliance requirements.

The function plays a critical role in crisis management, ensuring timely and effective responses to regulatory investigations, litigation, and reputational risks. It also ensures that the Company's data security and privacy frameworks remain robust, agile, and aligned with global best practices in a rapidly evolving technological landscape.

Counterfeiting risks are addressed through a combination of strong enforcement action and consumer awareness initiatives. The Company collaborates closely with stakeholders across the value chain, including e-commerce platforms, industry bodies, and consumers, to combat counterfeiting across channels and markets. Further, it engages with industry associations, regulators, and key opinion leaders to support a progressive regulatory environment. It also strengthens organisational capability by delivering targeted training on compliance, data privacy, anti-bribery, and competition law, thereby fostering a culture of integrity and accountability.

This positions the Company to innovate confidently while navigating regulatory complexities, ensuring sustainable growth and integrity across all dimensions of business.

Corporate Governance

Driven by the values of Integrity, Respect, Responsibility, and Pioneering, the Company's Corporate Governance framework continues to evolve in line with global best practices. Integrity remains central to our operations, with transparency embedded as a core principle rather than a compliance requirement. A separate Report on Corporate Governance, together with a Certificate from the Statutory Auditors confirming compliance with the Corporate Governance requirements under the Listing Regulations, forms part of this Integrated Annual Report. A Certificate from the CEO and CFO, issued in accordance with the Listing Regulations and confirming, inter alia, the accuracy of the financial statements and cash flow statements, adequacy of internal controls and the reporting of significant matters to the Audit Committee, is also annexed.

Compliance

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

Business Integrity

Our principles and values are upheld by all employees through our Code and Code Policies. Employees are required to complete mandatory annual training on these policies via online learning modules and sign an annual Business Integrity Pledge. Our Business Integrity Governance Framework includes clear processes for addressing Code breaches.

During the year under review, 79 incidents were reported across all areas of our Code and Code Policies, with 36 confirmed breaches. As a result, we terminated the employment of 21 employees and issued 21 warning letters. Our Code and Code Policies reflect our commitment

to acting with integrity and to prevent corruption in all its forms, supported by a zero-tolerance approach to such practices.

The Code is periodically updated to reflect evolving business practices, with the most recent update in January 2026. The Code Policies were also reviewed to ensure continued alignment with changes in the internal and external environment. For third party relationships, the Responsible Partner Policy enhances transparency and oversight, helping ensure that our partners' business principles are aligned with our own.

Prevention of Sexual Harassment at Workplace

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

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

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return of the Company in Form MGT-7 for FY 2025-26, is available on the Company's website at <https://www.hul.co.in/investors/annual-reports-and-performance-highlights/>.

Board of Directors and Key Managerial Personnel

The Board views Corporate Governance not as a mere regulatory requirement, but as the foundational pillar bridging the Company's legacy with future value creation. By establishing benchmarks that go beyond the law, the Board ensures that current operational excellence remains consistently aligned with global best practices. The Board holds ultimate responsibility for the development of strategy, material acquisitions and divestments, capital expenditure, capital structure, financing matters, policy oversight, internal controls, and the promotion of ethical behaviour.

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



Report of the Board of Directors and Management Discussion & Analysis

Change in Directorate

During the year, the Company made the following changes to its the Board:

Date of Board Approval	Date of Shareholder Approval	Particulars of Change
10th July, 2025	27th September, 2025	Appointment of Ms. Priya Nair (DIN: 07119070) as the Managing Director & Chief Executive Officer (MD & CEO) of the Company, for a term of five consecutive years with effect from 1st August, 2025, in succession to Mr. Rohit Jawa (DIN: 10063590). The appointment of Ms. Priya Nair is subject to the approval of the Central Government, for which the requisite application is presently pending.
21st August, 2025	6th January, 2026	Appointment of Mr. Niranjan Gupta (DIN: 07806792) as Executive Director, Finance & Chief Financial Officer of the Company, for a term of five consecutive years with effect from 1st November, 2025, in succession to Mr. Ritesh Tiwari (DIN: 05349994)
18th November, 2025	6th January, 2026	Appointment of Mr. Bobby Parikh (DIN: 00019437) as an Independent Director of the Company, for a term of five consecutive years with effect from 1st December, 2025

Mr. Rohit Jawa stepped down as MD & CEO of the Company, effective close of business hours on 31st July, 2025, expressing his intent to pursue the next chapter in his personal and professional journey. Further, Mr. Ritesh Tiwari demitted his office as Executive Director, Finance, IT and Chief Financial Officer of the Company, effective close of business hours on 31st October, 2025, consequent to his appointment as the Global Head of M&A and Treasury at Unilever PLC.

The Board places on record its deep appreciation for Mr. Rohit Jawa for steering the Company through challenging market conditions and strengthening the business foundations, including decisive actions to sharpen the portfolio and reinforce market leadership. The Board also places on record its deep appreciation for Mr. Ritesh Tiwari for his future-focused leadership and pivotal contributions to the Company's portfolio transformation, which enabled resource alignment to high-growth areas and delivered strong market share gains.

At its meeting held on 30th April 2026, and based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Ms. Ashu Suyash (DIN: 00494515) as an Independent Director for a further term of five consecutive years, commencing from 12th November, 2026, subject to the approval of the Shareholders at the ensuing AGM. Further details are set out in the AGM Notice at page 459.

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 of the Act read with the Rules made thereunder and the Articles of Association of the Company, Mr. Nitin Paranjpe (DIN: 00045204), Mr. Niranjan Gupta (DIN: 07806792) and

Mr. B.P. Biddappa (DIN: 06586886), are liable to retire by rotation at the ensuing AGM and being eligible have offered their candidature for re-appointment. At its meeting held on 30th April 2026, based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointments, subject to approval of the Shareholders at the ensuing AGM.

Brief resume, nature of expertise, disclosure of relationship between Directors inter-se, details of directorships and committee memberships held in other companies of the Directors proposed to be appointed/re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and Regulation 36 of the Listing Regulations, are appended as an Annexure to the Notice of the 93rd AGM.

Key Managerial Personnel

Ms. Priya Nair (DIN: 07119070), Managing Director & Chief Executive Officer, Mr. Niranjan Gupta (DIN: 07806792), Chief Financial Officer and Ms. Radhika Shah (Membership No. A19308), Company Secretary & Compliance Officer, are the Key Managerial Personnel of the Company as on 31st March, 2026.

During the year, Ms. Priya Nair succeeded Mr. Rohit Jawa as the MD & CEO and as the Head of the Management Committee of the Company with effect from 1st August, 2025. Additionally, Mr. Niranjan Gupta succeeded Mr. Ritesh Tiwari as the Executive Director, Finance & Chief Financial Officer of the Company with effect from 1st November, 2025.

Management Committee

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

During the year, in addition to the appointment of the MD & CEO and CFO⁴, the Board, on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Ms. Vandana Suri as Executive Director, Home Care, succeeding Mr. Srinandan Sundaram, with effect from 1st January, 2026.

Declaration from Independent Directors

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

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

The Board has taken on record the declarations and confirmations submitted by the Independent Directors, confirming that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence.

A detailed overview of the key skills, expertise and core competencies of the Board, including the Independent Directors, is provided within the Corporate Governance Report of this Integrated Annual Report.

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

During the year, 10 meetings of the Board were held.

The details of, meetings held and Director's attendance, training and familiarisation programme and Annual Board Evaluation process for Directors, Policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director,

and also remuneration for key managerial personnel and other employees, composition of Audit Committee, establishment of Vigil Mechanism for Directors and employees, Policy on Director's Remuneration, form a part of the Corporate Governance Report of this Integrated Annual Report.

Technology Absorption

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

Conservation of Energy

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

Compliance with Secretarial Standards

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

Stakeholder Engagement

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

Outlook

In FY 2025-26, the Company delivered a competitive step up in growth, with clear acceleration through the year. This performance was driven by decisive actions to build desire at scale, sharpen our focus on fewer, bigger bets in high-growth demand spaces, underpinned by disciplined capital allocation and active portfolio churn. In parallel, we strengthened execution in Channels of the Future, with a clear emphasis on driving volume-led growth.

Importantly, we view this performance not as an end state, but as the beginning of a longer growth journey, with significant headroom ahead. We remain firmly committed to staying the course of sharpening execution and building on the momentum created.

⁴Mr. Niranjana Gupta was appointed as the CFO-Designate and a Member of the Management Committee with effect from 1st September, 2025.



Report of the Board of Directors and Management Discussion & Analysis

While the macro environment, which improved during the year, is expected to remain volatile amid evolving geopolitical developments, we will leverage our scale, operational agility and strong financial position to navigate this adeptly. Over the long term, India's FMCG opportunity remains compelling, underpinned by rising incomes, urbanisation, premium aspirations and digitalisation. Staying anchored to our strategic priorities and executing with discipline will enable us to win competitively and sustain consistent, volume-led growth.

Director's Responsibility Statement

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

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

The Audit Committee of the Board of Directors has reviewed and confirmed the aforesaid statement.

Other Disclosures

During the year under review:

- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and or its operations in future;

- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;
- the requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable;
- the Company has been compliant with the provisions relating to the Maternity Benefits Act, 1961.
- no shares with differential voting rights and sweat equity shares have been issued;
- no public deposits as defined under Chapter V of the Act have been accepted by the Company;
- there has been no change in the nature of business of the Company.

Appreciations and Acknowledgments

The Directors place on record their sincere appreciation for the unwavering hard work, dedication, and commitment of all employees, whose efforts continue to underpin the Company's industry-leading performance. Their passion and resilience have been instrumental in sustaining the Company's leadership and driving its continued success.

The Board also acknowledges Unilever's outstanding support through cutting-edge innovations, technology, and marketing capabilities across categories, which has enabled the Company to continuously enhance consumer satisfaction and successfully introduce new and improved products.

The Company deeply values the steadfast partnership of its suppliers, distributors, retailers, business partners, and the wider trade ecosystem. Their collaboration has been integral to shared growth, and the Board reiterates its commitment to nurturing relationships built on mutual trust, respect, and long-term value creation.

The Directors further extend their gratitude to all Shareholders, Business Partners, Government and Regulatory Authorities, and the Stock Exchanges for their continued confidence and support.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 30th April, 2026

Annexure to Report of Board of Directors

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

- i. Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for FY 2025-26, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Director(s) and Company Secretary during the FY 2025-26.

Sr. No.	Name of Director/KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1.	Nitin Paranjpe	Chairman	6.37	Not comparable**
2.	Priya Nair [§]	Chief Executive Officer and Managing Director	162.15	Not comparable^^
3.	Rohit Jawa [#]	Chief Executive Officer and Managing Director	172.63	Not comparable^^
4.	Niranjan Gupta [^]	Executive Director, Finance, and CFO	63.39	Not comparable^^
5.	Ritesh Tiwari [®]	Executive Director, Finance, IT and CFO	75.77	Not comparable^^
6.	B.P. Biddappa	Executive Director and Chief People, Transformation and Sustainability Officer	79.63	Not comparable^^
7.	Leo Puri [§]	Independent Director	3.63	Not comparable^^
8.	Ashu Suyash	Independent Director	3.54	7.05
9.	Neelam Dhawan	Independent Director	3.86	12.17
10.	Tarun Bajaj	Independent Director	3.68	10.06
11.	Ranjay Gulati	Independent Director	3.26	27.76
12.	Bobby Parikh [‡]	Independent Director	2.29	Not comparable^^
13.	Radhika Shah	Company Secretary & Compliance Officer	10.98	Not comparable^^

- ii. The percentage increase in the median remuneration of employees for the financial year was 6.08%.
- iii. The Company has 5,898 permanent employees on the rolls of Company as on 31st March, 2026.
- iv. Average increase made in the salaries of employees other than the managerial personnel in the financial year was 6.85% and does not include increase on account of promotions. Increase every year is an outcome of Company's market competitiveness as against its peer group companies as well as financial performance. In keeping with our reward philosophy and benchmarking results, the increase this year reflects the market practice. The increase in managerial remuneration aligns with the recommendations of the Nomination and Remuneration Committee and has been duly approved by the Board.
- v. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Note:

- a) The Non-Executive Directors of the Company are entitled to sitting fee and commission as per the statutory provisions and within the limits approved by the Shareholders. The remuneration of Non-Executive Directors is governed by the Differential Remuneration Policy.
- b) Employees for the purpose above include all employees excluding employees governed under collective bargaining.

[§]Ms. Priya Nair was appointed as the Managing Director & Chief Executive Officer of the Company with effect from 1st August, 2025.

[#]Mr. Rohit Jawa ceased to be an Executive Director of the Company with effect from close of business hours on 31st July, 2025.

[^]Mr. Niranjan Gupta was appointed as the Executive Director, Finance and Chief Financial Officer of the Company with effect from 1st November, 2025.

[®]Mr. Ritesh Tiwari ceased to be an Executive Director of the Company with effect from close of business hours on 31st October, 2025.

[§]Mr. Leo Puri ceased to be an Independent Director of the Company with effect from close of business hours on 30th June, 2025.

[‡]Mr. Bobby Parikh was appointed as an Independent Director of the Company with effect from 1st December, 2025.

** Percentage increase in remuneration is not reported as the Chairman was not paid any remuneration during financial year 2024-25.

^^ Percentage increase/decrease in remuneration is not reported as they were holding directorship / office for part of the financial year 2024-25 / 2025-26 and/or they were appointed during the financial year 2025-26.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 30th April, 2026



Annexure to Report of Board of Directors

Particulars of Loans, Guarantees or Investments

Amount outstanding as on 31st March, 2026

(₹ in crores)

Particulars	
Loans given	268
Guarantee given	-
Investments made	8,879

Loan, Guarantee and Investments made during the FY 2025-26

Name of Entity	Relation	Amount (₹ in crores)	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilised
Lakme Lever Private Limited	Subsidiary	30	Loan	Business purpose
Unilever India Exports Limited	Subsidiary	42	Loan	Business purpose
Unilever Industries Private Limited	Fellow subsidiary	55	Loan	Business purpose
Uprising Science Private Limited	Subsidiary	74	Loan	Business purpose
Zywie Ventures Private Limited	Subsidiary	25	Loan	Business purpose
Uprising Science Private Limited ¹	Subsidiary	2,706	Investment	Acquisition of subsidiary
Zywie Ventures Private Limited ²	Subsidiary	824	Investment	Acquisition of balance stake in subsidiary
Lucro Plastecycle Private Limited	-	101	Investment	Business purpose
Transition Sustainable Energy Services One Private Limited	-	10	Investment	Business purpose
Mutual Funds + T-Bills + Certificate of Deposits ³	-	22,947	Investment	Cash Management

¹Investment in 9,51,96,960 equity shares of ₹10 each

²Investment in 2,49,926 equity shares of ₹10 each

³For details refer to Note 6 of Notes to the financial statements

On behalf of the Board

Nitin Paranjpe

Chairman

(DIN: 00045204)

Mumbai, 30th April, 2026

Form AOC-2

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

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

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

Not applicable. During the FY 2025-26, all related party transactions entered into by the Company were in the ordinary course of business and on an arm's length basis and were approved by the Audit Committee of the Company.

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

There were no material contracts or arrangements or transactions entered into during the FY 2025-26.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 30th April, 2026



Annexure to Report of Board of Directors

Technology Absorption

The Company has a longstanding legacy of responsible, pioneering business built on deep consumer insight and strong Science & Technology expertise.

Unilever R&D drives bold innovation for people and planet through six global innovation centres. In India, R&D teams operate from two world class sites in Mumbai and Bengaluru, giving HUL access to over 20,000 international patents and more than 5,000 scientists and technology specialists across all business groups and key capabilities including Safety, Regulatory, Clinicals and Digital. This global network enables continuous collaboration, co-creation, and transfer of new product designs, novel formats and processing technologies.

HUL benefits significantly from Unilever R&D's global ecosystem of academic partnerships, technology experts and long-term supplier collaborations. Continued investments in India, such as the Agile Innovation Hub 2.0, the Bars Advanced Manufacturing Centre, and Liquids Lab of the Future, enhance innovation speed and impact by leveraging data science, technology and automation.

These advantages are enabled by the Technical Collaboration Agreement (TCA) and Trademark License Agreement (TMLA) with Unilever since 2013. Under these agreements, HUL pays royalties for technical know-how and trademarks, including the Unilever corporate logo. These collaborations allow HUL to bring bigger, better, and faster innovations to Indian consumers, with technology imported under the TCA fully absorbed into our products.

Below is a representative list of technologies imported during 2023-2025:

S No	Technology absorbed	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
1	Prolipid technology for Vaseline Deep Moisture Lotion, Vaseline CCloud Soft.	2025	Yes	NA
2	Biphasic Serum Technology for Dove Peptide BondStrength Serum.	2025	Yes	NA
3	Incorporation of Simple Sunkiss technology for Simple Hydrating Liquid Sunscreen.	2025	Yes	NA
4	Hybrid Sun (SPF 50 + VitB3+ C+E) technology for Glow & Lovely Sunscreen.	2025	Yes	NA
5	GAP technology for GAL GlassBright gel crème, Vaseline Gluta SPF50.	2025	Yes	NA
6	Micro sheets technology in TRESemme Hydramatrix products.	2025	Yes	NA
7	Inclusion of Vegan Fiber Actives technology in Nexxus Volume, Dove Core Shampoo and Conditioner.	2025	Yes	NA
8	Incorporation of SMCT SLI CAPB sulphate free technology in Nexxus Volume.	2025	Yes	NA
9	Acusol: Anti Redeposition technology- for Surf Excel Quick Wash and Rin Advanced Powder.	2025	Yes	NA
10	Novel Foam based toilet cleaner and Upside-down foam trigger (packaging technology)- Domex Instant Foam Toilet Cleaner.	2025	Yes	NA
11	Rhamno Bio-Surfactant technology for Vim Dishwash Liquid Core Plus.	2025	Yes	NA
12	Incorporation of MGDA technology for better malodor performance- in Surf Excel Matic Express Liquid.	2025	Yes	NA
13	Adoption of Stable Vegan Flavoured mayonnaise (with spices & herbs) formulation chassis.	2025	Yes	NA
14	Optical Whitening Technology for instant teeth whitening in Close Up White Now Purple Colour Corrector toothpaste	2025	Yes	NA
15	Adoption of global formulation chassis for Dove Bar and Body Washes in India.	2025	Yes	NA
16	Incorporation of eco-design weight-efficient materials allowing for superior stain removal in laundry detergents.	2024	Yes	NA
17	Incorporation of probiotics in Vim Ultra Pro floor cleaners allowing for superior clean and streak-free floors.	2024	Yes	NA

S No	Technology absorbed	Year of Import	Has the technology been fully absorbed?	If not fully absorbed, areas where absorption has not taken place, and reasons thereof
18	Inclusion of responsibly sourced plant-based materials via Stratos technology for superior skin care benefits & germ protection.	2024	Yes	NA
19	GAP technology in skin care for a light sensory, all-season moisturiser adapted for face and body lotions.	2024	Yes	NA
20	Dynoxidil – combination of Niacinamide and Zinc Peptides for strengthening hair root anchorage and delivering scalp barrier repair benefits	2024	Yes	NA
21	Micro Sheet technology in TRESemme Lamellar Gloss range seals hair uniformly to provide superior shine. This makes hair smoother and manageable	2024	Yes	NA
22	Adoption of Core Formulation Design and Process for Flavoured Mayonnaise range	2024	Yes	NA
23	Localisation of Magnum ice cream in India and associated product and packaging technology knowledge absorption	2024	Yes	NA
24	Anti-redeposition technology in laundry detergents.	2023	Yes	NA
25	Dynazinc technology for dove scalp serum	2023	Yes	NA
26	Synergistic technology of 3 potent actives – niacinamide, hexyl resorcinol and Retinyl Propionate helps reduce hyper pigmentation for Novology	2023	Yes	NA
27	Adoption of Core Formulation Design and Process for Flavoured Mayonnaise range	2023	Yes	NA

Sustainability

HUL's R&D is advancing the Company's sustainability agenda across climate, plastics, nature, and livelihoods by integrating technologies that both reduce environmental impact and elevate product superiority. A prime example is STRATOS, the breakthrough Low TFM Soap Bar technology that delivers superior sensorial and skin benefits while lowering GHG emissions, enabling NDPE compliant sourcing, and reducing reliance on imported oils.

Key sustainability innovations also include Sunsilk's packaging transformation, which has achieved 70% PCR plastic inclusion and removed 150 tons of virgin plastic from the system, an important step toward circularity.

These efforts have earned several external recognitions. STRATOS received the Aegis Graham Bell Award (AGBA) for Innovation in the Consumer Tech category, while Sunsilk was honoured with the CII Sustainable Plastic Packaging Award for its leadership in plastics reduction. Further, HUL has been ranked #1 among India's Top 50 Most Innovative Companies, winning the CII Industrial Innovation Award 2025 for breakthrough science powering sustainability driven innovations such as Low GHG Soda Ash in Home Care powders.

Digital Transformation for Productivity & Speed

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

- ▶ The Agile Innovation Hub 2.0 – our newest capability housed in Mumbai office, solves modern product development's clear need for more data, faster iteration, and earlier validation. It integrates advanced analytics, AI-assisted workflows, and real-time collaboration into everyday work.
- ▶ The Bars Advanced Manufacturing Center houses a physical and digital twin of our soap & detergent bar factories across the world, permitting our R&D teams to take trials in a single location and greatly expediting the scaleup process. New-age models and simulations of process assets are cutting down the innovation lead times and helping us reduce number of factory trials needed for a full product rollout.



Annexure to Report of Board of Directors

- Our R&D processes run on a backbone of digital data capture – from idea to final product in the factory, data platforms capture structured and unstructured data at each stage, allowing for complete traceability of raw materials, products and packaging.
- Unilever’s Datalab platform provides access to digital models and simulations which help in running in-silico virtual experiments and cutting down the need for physical experimentation.

Benefits Derived

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

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

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

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

Expenditure on R&D

	(₹ in crores)	
	FY 2025-26	FY 2024-25
Capital	27.19	18.61
Recurring	136.64 ¹	137.96
Total	163.83	156.57

¹Represents spends for continuing operations only.

On behalf of the Board

Nitin Paranjpe
Chairman
(DIN: 00045204)

Mumbai, 30th April, 2026

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg, Chakala,
Andheri (East), Mumbai – 400099

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hindustan Unilever Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2026, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2026 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; as applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding The Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
 - a) The Drugs and Cosmetics Act, 1940
 - b) The Consumer Protection Act, 2019
 - c) Cosmetic Rules, 2020
 - d) The Legal Metrology Act, 2009;
 - e) The Legal Metrology (Packaged Commodities) Rules, 2011;
 - f) The Food Safety and Standards Act, 2006 along with Rules, Standards and Regulations;
 - g) Applicable BIS Standards for various categories and production process.



Annexure to Report of Board of Directors

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

The Company has filed necessary application with the central government for appointment of Ms. Priya Nair as Managing Director and CEO. The approval of Central Government in this regard is awaited.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor

and ensure compliance with applicable laws, rules, regulations, guidelines, etc.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a) At its meeting held on 22nd January, 2025, after an in depth analysis of the options available and based on the recommendation of the Independent Committee and the Audit Committee, the Board accorded its approval to the Scheme of Arrangement amongst the Company and Kwaliti Wall's (India) Limited (KWIL) and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Act (Scheme) to demerge the Company's Ice Cream Business into KWIL. The Scheme was approved by the Shareholders with an overwhelming majority at the National Company Law Tribunal, Mumbai Bench (NCLT)-convened meeting held on 12th August, 2025. It was subsequently sanctioned by the NCLT vide its Orders dated 30th October 2025 and Order dated 6th November, 2025. Following completion of the requisite statutory filings, the Scheme became effective on 1st December, 2025.
- b) At its meeting on 12th February, 2026, the Board approved the Acquisition of the balance stake of 49% in Zywie Ventures Private Limited for a consideration of ₹ 824 crores (Indian Rupees Eight Hundred Twenty Four crores), as per the pre-agreed valuation framework, in accordance with the terms and conditions of the Share Subscription and Share Purchase Agreement dated 8th December, 2022 and other documents executed pursuant thereto. Consequent to the above acquisition of balance shareholding in Zywie on 13th February 2026, Zywie (and its wholly owned subsidiary Zenherb Labs Private Limited) have become wholly owned subsidiaries of the Company.
- c) At its meeting on 12th February, 2026, the Board approved the divestment of minority stake of 19.8% in Nutritionalab Private Limited for ₹ 307 crores.

For **Parikh & Associates**
Company Secretaries

Jigyasa N. Ved
Partner

FCS No: 6488 CP No: 6018
UDIN: F006488H000238093
PR No.: 7327/2025

Place: Mumbai
Date: 30.04.2026

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

