

CO-CREATING BUSINESS COMPETITIVENESS

ANNUAL INVESTOR MEET | 2 JUNE 2017

Pradeep Banerjee



Hindustan Unilever Limited

SAFE HARBOUR STATEMENT



Hindustan Unilever Limited

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

AGENDA

Strategy

Execution

Capabilities



OUR NETWORK

Suppliers	900	Factories	Over 30	SC People	12000	Warehouses	40	Customers	3800
Unique RPM	1200	Co Packers	60	Daily Trucks	8000	Million Tons	3	Billion units	38



Integrated Planning



IT Systems & Processes

<ul style="list-style-type: none"> • MRP • Centralizing contract management 	<ul style="list-style-type: none"> • Centralized Quality Incident Management • Paperless Factories 	<ul style="list-style-type: none"> • Inventory Management • No-touch Prod Plan 	<ul style="list-style-type: none"> • Depots/HUBs 	<ul style="list-style-type: none"> • Transport Management • GPS tracking 	<ul style="list-style-type: none"> • Continuous Replenishment • EDI/VMI • CRM/ Process robotics
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END TO END - IT ENABLED

SUPPLY CHAIN STRATEGY



EVERYDAY BRILLIANT EXECUTION

 **ONE VOICE** - OUR CULTURE

COMPETITIVE ADVANTAGE

Distributed Manufacturing



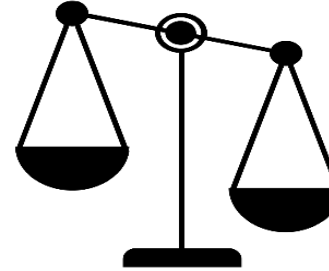
Responsiveness and Flexibility

IT



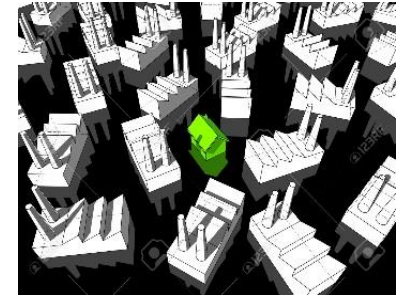
Dynamic real time replenishment

Scale



Procurement, Manufacturing, & Distribution

Partnerships



Supplier and service providers network

Talent Powerhouse

AGENDA

Strategy

Execution

Capabilities



BRILLIANT EXECUTION



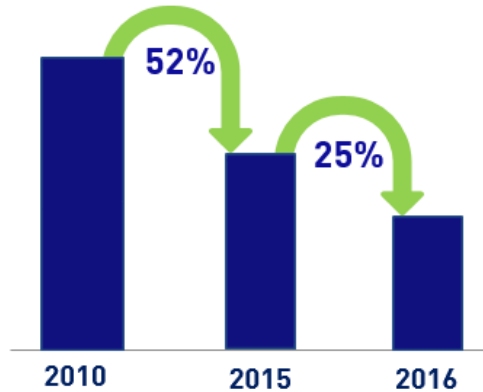
Hindustan Unilever Limited

2015 - 2016

Safety	Frequency Rate (Reduction)	25% ▼	<ul style="list-style-type: none">• BeSAFE Program• Visible leadership
Quality	Defect per Million Units (Reduction)	38% ▼	<ul style="list-style-type: none">• End to End Quality Focus• Quality Deep Dives
Service	Cases fill on time (BPS)	+180 ▲	<ul style="list-style-type: none">• Service focus to point of purchase• Responsiveness and agility
Inventory (Days on hand)	MAT DOH (Days Reduction)	6% ▼	<ul style="list-style-type: none">• Robust S&OP process• Optimised manufacturing network
Savings	Savings % of Spends (Increase)	25% ▲	<ul style="list-style-type: none">• Symphony• World Class Manufacturing
Employee Relations	Man Days Lost	ZERO	<ul style="list-style-type: none">• Industrial Strategy Upskilling & Multiskilling• Employee at the center

SAFETY

Accident Frequency Rate*



* Total Recordable Frequency Rate
Across entire organization

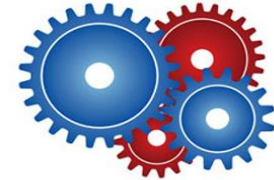
Enablers

Behavioural Safety



- Top Management commitment & visible leadership
- BeSAFE Initiative across all Units

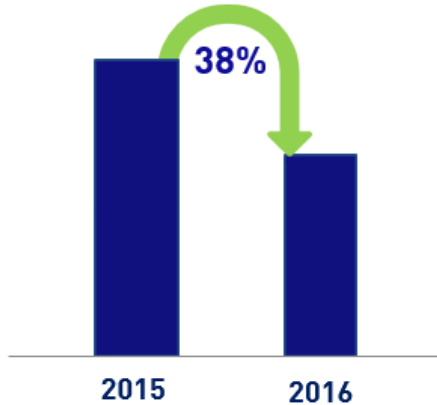
World Class Manufacturing



- Risk assessment tool
- Blue Collar programs for Risk elimination

QUALITY

Defect per Million Units*



* Consumer Relevant Quality Standards

Enablers

Consumer Focus



- Q in Design Phase
- Q @ Point of Sale
- Q in End to End SC

Brilliant Quality Fundamentals



- Zero Defects
- Leverage IT
- Supplier Quality

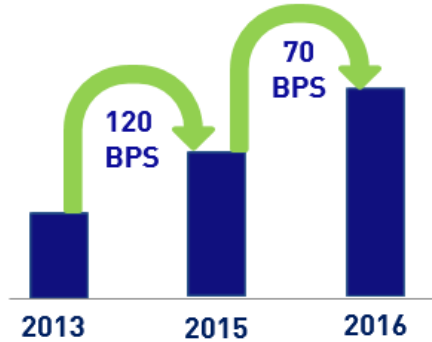
Culture & People



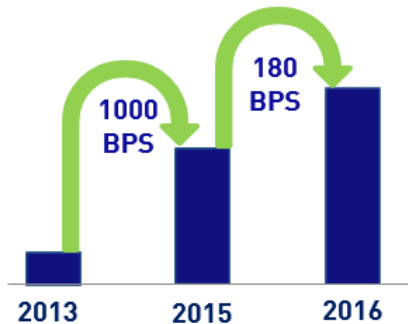
- Q mindset in last mile
- Distributor → Retail
- Grass root initiatives

SERVICE

Distributor



Retail



Enablers

Deliver on Mix



- More stores – better served
- Focus packs get disproportionate attention

Outlet level focus



- Loss Analysis at Customer level
- Focus on customer – outlet delivery gaps

Every day focus

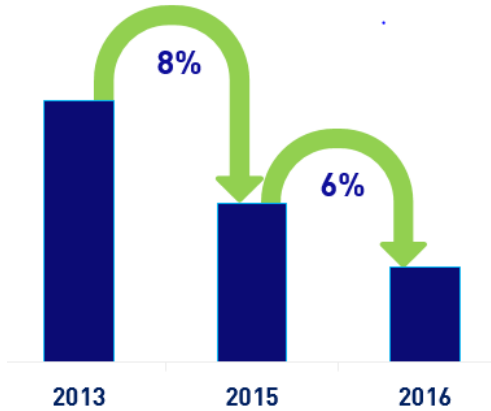


- Leading indicators
- IT enabled replenishment


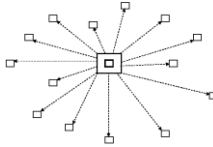


Focus @ “Point of Purchase”

INVENTORY

Inventory (Days Reduction)

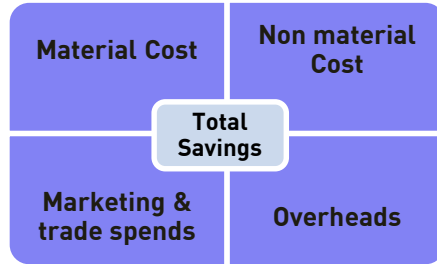


Enablers

Robust S&OP	Optimized Networks	Benchmarking	Analytics
			
Rigorous & sharper process	Multi - format Factories	Analyzing cycle, safety & Transit inventory	Structural shifts

SAVINGS

End to End Value Chain

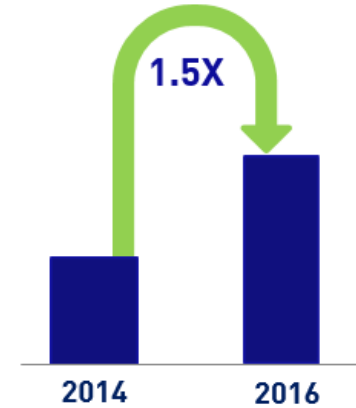


Leveraging ZBB framework



Galvanizing the entire organisation

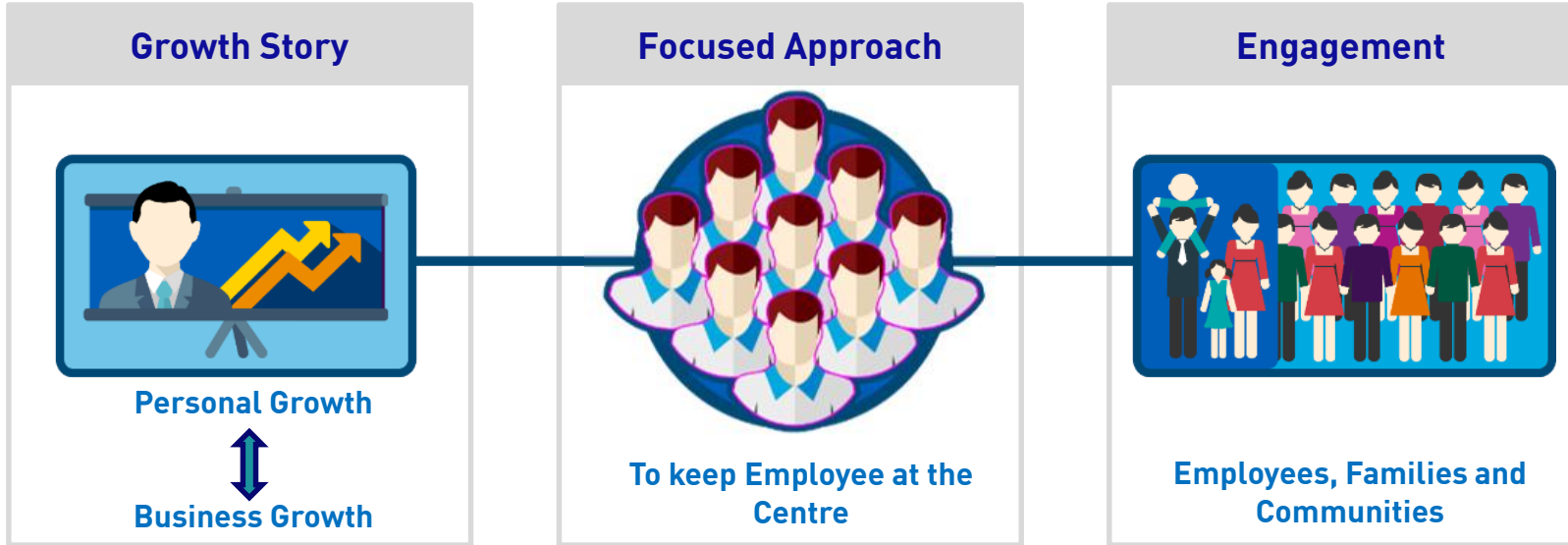
Stepped up savings



NURTURING RELATIONS



Hindustan Unilever Limited



Zero Man-days lost with 12000 Blue Collar employees in the last 3 years



AGENDA

Strategy

Execution

Capabilities



FUTURE READY SUPPLY CHAIN

Segmentation



Differentiated Strategy

World Class Manufacturing



Process driven improvements

Logistics Excellence



Optimized end to end

Integrated Planning



Analytics and Process Automation

Emerging Segments & Channels



Being Future ready to serve business

Sustainability



Unilever Sustainable Living Plan

Talent Powerhouse

SEGMENTATION

Category



De-average SC

Channel



Differential Channel & Customer offerings

Geography



E2E Network Design, WIMI

SEGMENTATION

AGILE SUPPLY CHAIN

OPPORTUNITY



Lakme

Business Need : Range availability


SC Challenge : Low volume , Difficult to forecast

METHODOLOGY



RESULTS (2 Years)

Service 
**+320
BPS**

FG DOH Redn 
22%

Business Waste Redn 
32%

SEGMENTATION

LEAN SUPPLY CHAIN

OPPORTUNITY



Laundry

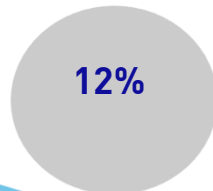
Business Need : Reduce Distribution Cost

SC Challenge : High volume, source plan adherence

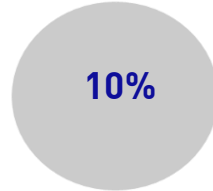
METHODOLOGY



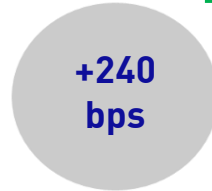
Logistics Cost Redn. 



Loadability Improvement 



Service 



RESULTS (2 Years)

SEGMENTATION

WINNING IN MANY INDIAS



Hindustan Unilever Limited



Cluster based Planning & Execution

Differential SC response

GEOGRAPHY			
FORMULATION	Enzymatic		
	Non Enzymatic		
ACTIVATION			Rs. 11 off
			Plain Stock
			Rs. 2 off
			Rs. 4 off
CHANNEL			
ACTIVATION	GT		Container Offer
			4+1 RTD
	CSD		Plain Stock
			Plain Stock
			Tiffin Box CP
			Scrubber CP

WORLD CLASS MANUFACTURING

Savings

- Cost Deployment across the manufacturing process



- Eliminate Waste / Non Value Added Activity



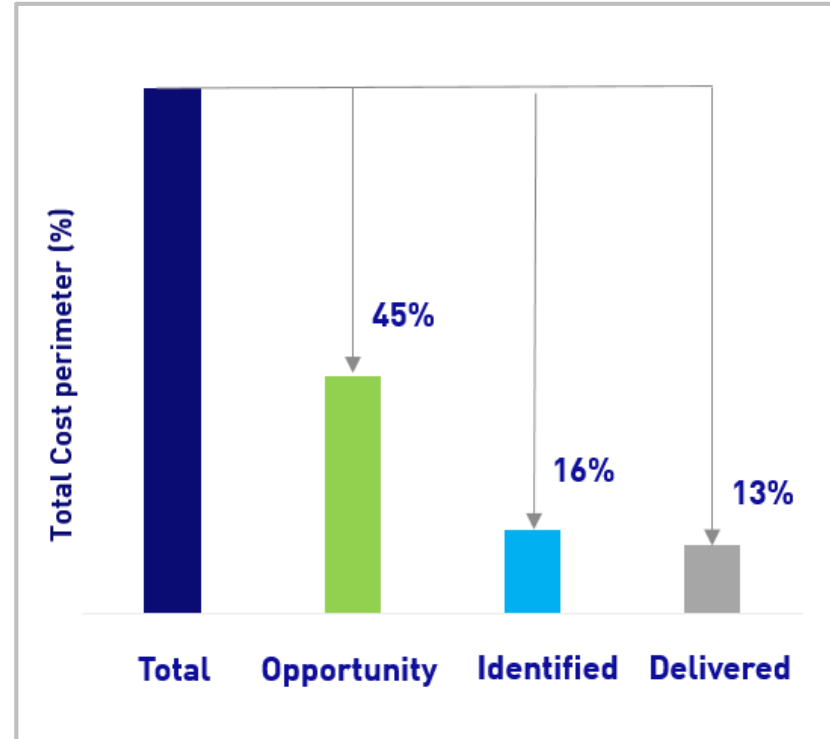
- Improve Machine Productivity (OEE)



- Minimize material handling



- 10% Cost Perimeter reduction YoY



LOGISTICS EXCELLENCE

Buy Smart



- Price Discovery
- Target Costing
- Fuel De-coupling

Operate Efficiently



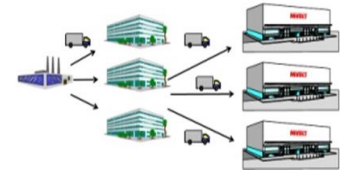
- Cost to Serve
- Manpower Rationalization
- Optimizer

Load Better



- Design to Distribute
- Right Truck Type

Travel Less



- Network Optimization
- Direct Dispatch Maximization

Ultra Logistics

INTEGRATED PLANNING

Collaborative Planning



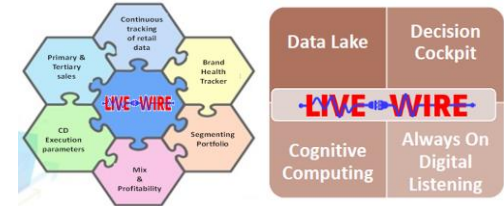
- Business Modelling
- Baselines, Promo Planning

Execution Focus



- Predictive Service Analytics
- Everyday Great Execution (Edge) Scorecard

Performance Management



- Inventory analytics
- Release operational time

Democratize Data : Faster Decision Making

EMERGING SEGMENTS & CHANNELS

Categories



- Capability for naturals... end to end
- Build partnerships

Channels



- SC design
- E-com specific capabilities (E.g. packaging)

SUSTAINABILITY

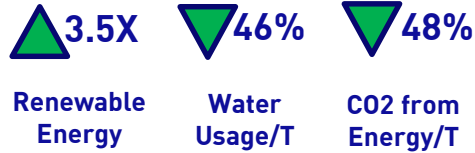
Sourcing



- Higher yields – 25 to 40 MT/Acre
- 100% under drip irrigation
- 20% less Water & chemicals used

Enhanced farmer incomes

Energy*



- Solar and wind energy
- Water conservation plans
- Biomass fuel

Environment friendly use of resources

Community engagement



- Swach Doot – Shop floor employees as ambassadors

Direct Beneficiaries : 6.8L

TALENT POWERHOUSE

Individual Focus



Training Hrs:
~65000

Unleash Potential



Winning Balance:
20%

SC Leadership Forum



No of Projects:
500+

THANK YOU

For More Information

VISIT OUR WEBSITE

<http://www.hul.co.in/investorrelations/>

HUL Annual Investor Meet 2017

HUL's Annual Investor Meet 2017 will be held on 2nd June 2017, Friday, at the HUL Head Office in Mumbai

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