

# DOING WELL BY DOING GOOD

KOTAK CHASING GROWTH GLOBAL INVESTOR CONFERENCE

MUMBAI, 19-FEB-2013



Hindustan Unilever Limited

# SAFE HARBOR STATEMENT

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.



# TRENDS SHAPING INDIA



**INDIA IS CHANGING AND SO ARE ITS CONSUMERS**



**GROWING INCOMES AND RISING ASPIRATIONS**



**WITH URBANIZATION, THE EMERGENCE OF URBAN POOR**



**RURAL INDIA, EVOLVING AND VERY DIFFERENT TODAY**





**TECHNOLOGY CREATING A WAVE OF CHANGE**





**TRENDS = OPPORTUNITIES FOR GROWTH**



**HOWEVER, THERE IS A REALITY WE NEED TO BE  
CONSCIOUS OFF**



**WE WILL ALWAYS REMAIN A LAND OF MANY INDIAS**



**GROWTH WILL CREATE A MOUNTING PRESSURE ON INFRASTRUCTURE**



**FOOD**



**WATER**



**ENERGY**



**WITH IMPLICATIONS ON ALREADY DEPLETING RESOURCES**



**SOCIETY IS DEMANDING FAR GREATER ACCOUNTABILITY**

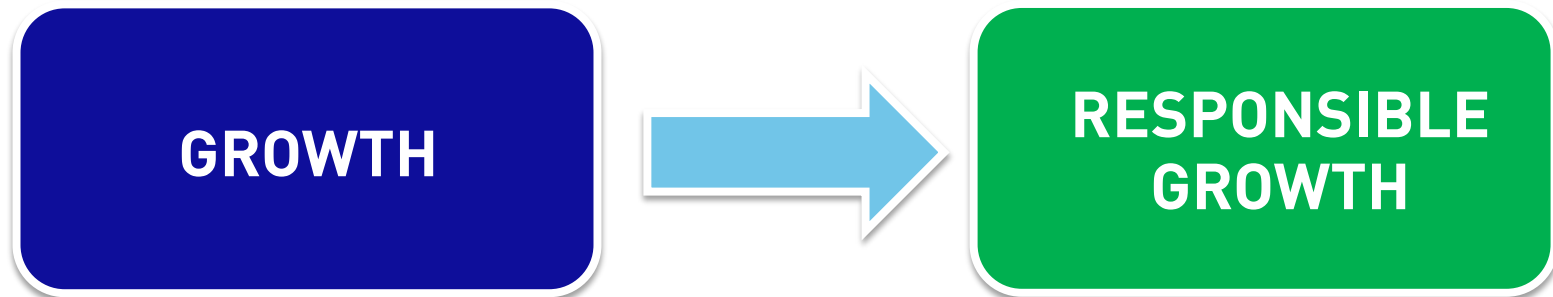


# WE HAVE TO TAKE THE LEAD NOW



**“A society grows great when old men plant trees whose shade they know they shall never sit in.”** Greek Proverb

# THEREFORE, THE EMERGING PRIORITY



# HUL: DOING WELL BY DOING GOOD

*Embedded in the way we do business*

## The Compass

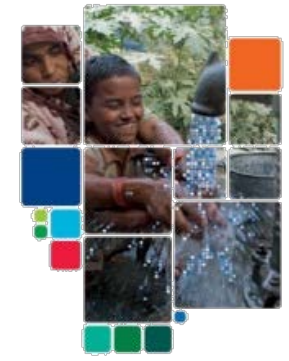
The image shows a document titled 'THE COMPASS' with a 'BIG' logo. It contains several sections: 'WE ARE OUR PEOPLE', 'HOW WE WILL WIN', and 'HOW WE WILL WIN'. The text is small but appears to be a strategic plan or report.

- Consistent growth
- Competitive growth
- Profitable growth

**DOING WELL**



## Unilever Sustainable Living Plan



- Consistent growth
- Competitive growth
- Profitable growth
- Responsible growth

**BY DOING GOOD**

# DRIVING RESPONSIBLE GROWTH

## *Unilever Sustainable Living Plan*

HELP  
**1 BILLION**  
PEOPLE IMPROVE  
THEIR HEALTH  
& WELL-BEING

**HALVE**  
ENVIRONMENTAL  
FOOTPRINT OF  
OUR PRODUCTS

SOURCE  
**100%**  
OF AGRICULTURAL  
RAW MATERIALS  
SUSTAINABLY

# DOING WELL BY DOING GOOD

*Embedded in the way we do business*



1 Winning with brands and innovation

2 Winning in the marketplace

3 Winning through continuous improvement

4 Winning with people

**THE COMPASS**

**WE ARE UNLEVER...**

<b>VISION</b>	We are a successful, growing, sustainable business.	WE SEEK TO CREATE A BETTER FUTURE EVERY DAY We help people feel good, look good and get more out of life with brands and services that are good for them and good for others. We will inspire people to take small everyday actions that can add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.
<b>MANIFESTO</b>	We focus on customers and partners with a bias for action.	Our first priority is to our customers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded. We will win through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.

**WHERE WE WILL WIN...**

**INDUSTRIES**

We share and grow volume in many categories and countries.

**HOW WE WILL WIN...**

<b>NON-NEGOTIABLES</b>	<b>1</b>	Deliver superior products, designs, branding and marketing
	2	Waggle, better, faster innovation
	3	Appeal to more consumers across needs and price points
	<b>2</b>	Expand market development
	4	Win with existing customers
	5	Be an execution powerhouse
	<b>3</b>	Lower, responsive and consumer led value chain
	6	Drive return on brand support
	7	Build, lead, compete the organization
	<b>4</b>	Organization and diverse talent pipeline leads to match our growth ambitions
	8	Performance culture which supports our vision
	9	Leverage our operating framework for competitive advantage



# WINNING WITH BRANDS AND INNOVATIONS

## Straddling the pyramid



## Accessible formats



## Better products, stepped up innovation



Blind product wins

>60% of portfolio touched by innovation

## Reshaping the portfolio



Segments of future



Beauty



# BUILDING WINNING BRANDS BY INTEGRATING BUSINESS AND SOCIAL PRIORITIES



**Encouraging handwashing**  
**Growing business and a healthy society**

# BUILDING WINNING BRANDS BY INTEGRATING BUSINESS AND SOCIAL PRIORITIES



As Safe As Boiled Water



**Providing access to safe drinking water**  
**Sustainability through business growth**

# RESOURCE CHALLENGES INSPIRING NEW WAYS OF MEETING CONSUMER NEEDS



Less water in laundry



Less water & energy in shower

Extending the scope to water used in the consumption of our products

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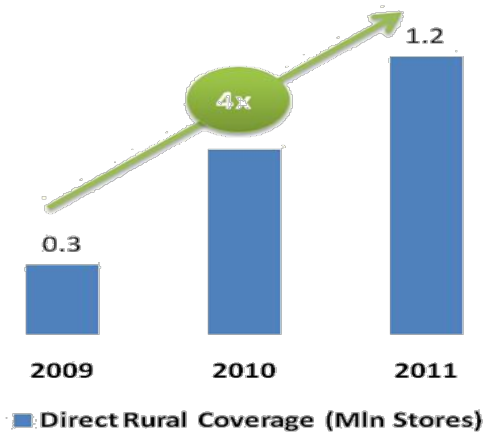
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# WINNING IN THE MARKET PLACE

## Rural More Stores



**Dramatic expansion in reach**  
**Reach = competitive advantage**

## Urban Perfect Stores



- For every outlet
- Right Assortment
- Right Availability
- Right Merchandising

**Perfect Stores Growth > Other Stores Growth**

## Modern Trade No.1 Supplier of Choice



**MT shares > GT shares**  
**Profitable channel**

**Building competitive advantage**

# INCLUSIVE GROWTH IN RURAL INDIA THROUGH PROJECT SHAKTI



**45,000** Shaktiammas

**30,000** Shaktimaans

**100,000** Villages



**Growing contribution to Rural business whilst enhancing livelihoods**



# DRIVING ADOPTION OF NEW CATEGORIES IN RURAL INDIA



**Khushiyon ki Doli**



Our 1<sup>st</sup> brand today is Lifebuoy  
*Lifebuoy, toh ab koi darr nahi*

**Promoting hygiene behaviour change alongside market development**

# PARTNERING WITH MODERN TRADE TO DRIVE GROWTH AND SUSTAINABILITY



**'Go Recycle'**  
with **Bharti Retail**  
(Plastics recycling)



**'India's Favorites'**  
with **Star Bazaar**  
(Fund kids' schooling)

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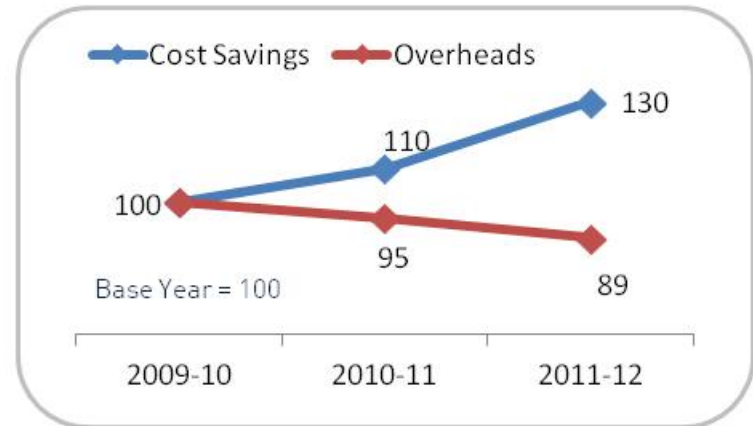
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	<b>2</b>	4. Lead market development
		5. Win with existing customers
		6. Be an execution powerhouse
	<b>3</b>	7. Low, responsive and consumer led value chain
		8. Drive return on brand support
		9. Agile, flat, competitive organization
	<b>4</b>	10. Organization and diverse talent hybrid pipeline leads to match our growth ambitions
		11. Performance culture which supports our values
		12. Leverage our operating framework for competitive advantage

# END TO END COST FOCUS TO FUEL GROWTH

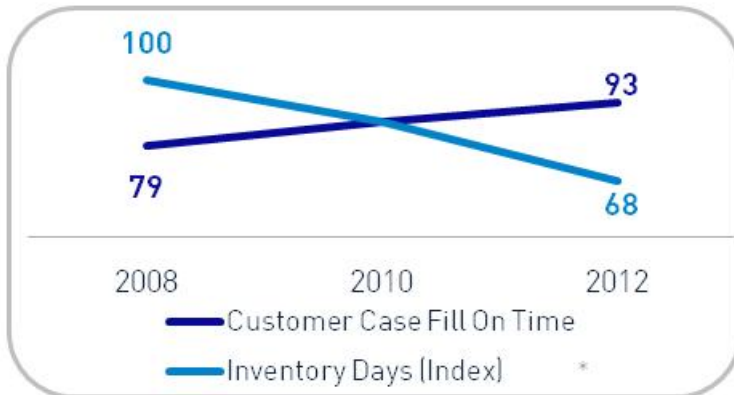
## 4 Work streams within Business



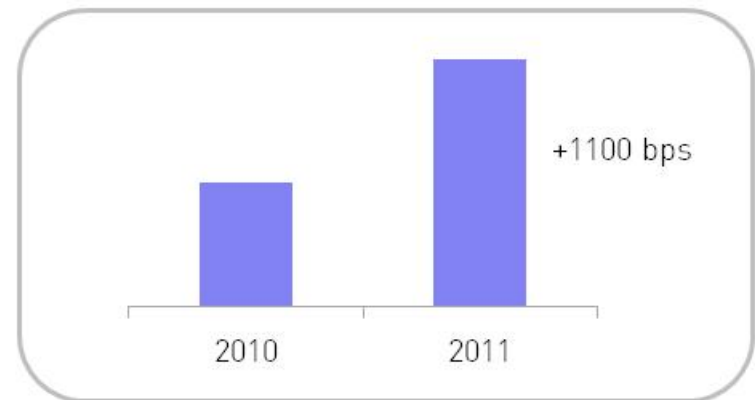
## Savings Up; Overheads Down



## Better Service; Lower Inventory



## Driving ROMI: Positive ROI activities



# CONTINUOUS IMPROVEMENT ACROSS VALUE CHAIN: MORE EFFICIENT FACTORIES

30 HUL factories have become zero effluent discharge sites



Waste

53%



Water Usage

22%



CO2 Emissions

15%

Lower environmental footprint → lower cost



# CONTINUOUS IMPROVEMENT ACROSS VALUE CHAIN: REDUCING PACKAGING

**'Excellence in Cost/Waste Reduction' at 24<sup>th</sup> DuPont Global Packaging Awards**



**30+ projects**

**~4000 Tonnes of Packaging Material**

**usage reduced**

**Lower packaging use → lower cost**



# CONTINUOUS IMPROVEMENT ACROSS VALUE CHAIN: SUSTAINABLE SOURCING

60% of tomatoes sourced sustainably



Win-win partnership → lower cost of sourcing

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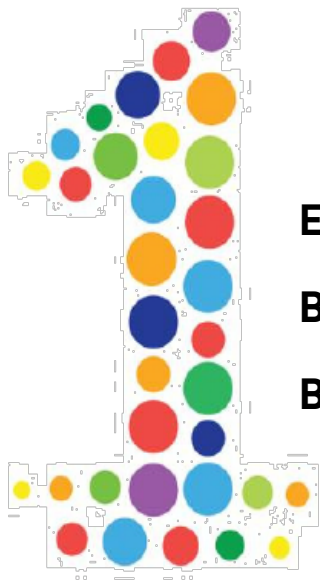
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# A TALENT POWERHOUSE WITH A STRONG SET OF VALUES



**Employer Brand**

**Best Employer**

**Best Employer Brand Asia**

**INTEGRITY**  
**RESPECT**  
**RESPONSIBILITY**  
**PIONEERING**

**Dream Employer : 4 Years in a row**

# **MAKING A SUSTAINABLE FUTURE**

