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Hindustan Unilever Limited

22nd June, 2021

Stock Code: BSE: 500696
NSE: HINDUNILVR
ISIN: INE030A01027

BSE Limited,
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sir / Madam,

Sub.: Chairman Speech at 88th Annual General Meeting of the Company

This is further to our letter dated 29th April, 2021 wherein the Company had informed that the Annual General Meeting of the Company is scheduled to be held on Tuesday, 22nd June, 2021 through Video Conference / Other Audio- Video Means, we are enclosing herewith a copy of Chairman speech as delivered at 88th Annual General Meeting of the Company today.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,
For HINDUSTAN UNILEVER LIMITED

DEVOPAM NARENDRA BAJPAI
Digitally signed by DEVOPAM NARENDRA BAJPAI
Date: 2021.06.22 14:25:12 +05'30'

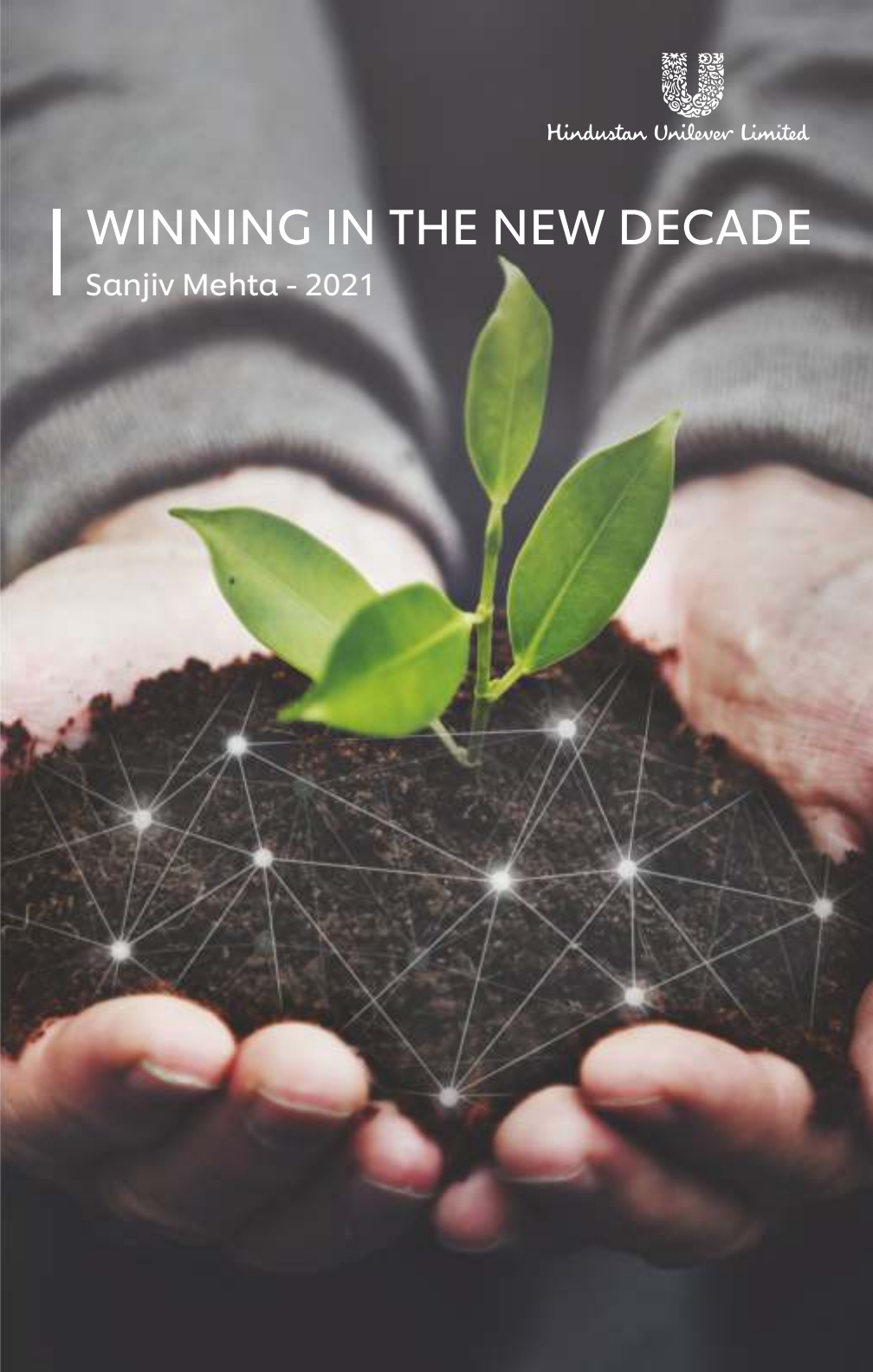
Dev Bajpai
Executive Director, Legal & Corporate Affairs
and Company Secretary
DIN : 00050516 / FCS No. : 3354

Sensitivity: Internal

Hindustan Unilever Limited

WINNING IN THE NEW DECADE

Sanjiv Mehta - 2021



WINNING IN THE NEW DECADE

was the subject of the speech, delivered by
Mr Sanjiv Mehta, Chairman & Managing Director,
Hindustan Unilever Limited, at the
Annual General Meeting held on 22 June 2021.

WINNING IN THE NEW DECADE

I: INTRODUCTION

It began with the world limping with the global financial crisis and ended with a virus impacting lives and livelihoods across the globe. The last decade has surely been unpredictable and tumultuous for the world. We have seen new models of work emerge, have witnessed social media strengthening its position as the platform for mass movements and have seen the voice for environment, social concerns and diversity & inclusion growing louder. Natural disasters have become more frequent in recent years. Climate concerns are forcing nations and businesses to take decisive steps with representatives from 196 countries coming together for the first time for a binding international treaty on climate change as electric cars and renewable energy gain impetus.

India too saw unprecedented changes in the past decade. The nation made history by becoming the first country in the world to reach Mars' orbit in its maiden attempt, the Mangalyaan, at one tenth of the amount spent by NASA. We saw one of the biggest economic reforms in the country since independence in the form of the Goods and Services Tax. India also saw the introduction of the Insolvency and Bankruptcy Code, and more recently, opening of FDI in several sectors. We ranked 63rd on the Ease of Doing Business Index in 2019, up from 142 in 2014. We witnessed landmark judgements delivered by the country's apex judiciary body including the striking down of Section 377, an archaic law that criminalised consensual gay sex, marking a new era of equality and inclusion in the country & the declaration of Right to Privacy as a Fundamental Right. From taking decisive steps on climate action and programmes to making Mahatma Gandhi's

vision of a Clean India a reality, to lifting the ICC World Cup after 28 long years, the past decade for India was eventful, to say the least.

II: A WINNING DECADE FOR HINDUSTAN UNILEVER

The HUL growth story is intertwined with the India story and our philosophy of 'what is good for India is good for Hindustan Unilever' played out. Despite several challenges in the external environment over the last ten years, we stayed rooted in our purpose-driven strategy, embraced the priorities of the nation, and deftly navigated through choppy waters. Let me take this moment to look back at the past decade that has been rather significant for Hindustan Unilever – one that has not only catapulted us to becoming one of the top five most valuable companies in the country, but has also prepared the business to leapfrog into the future.

In the last decade, we added nearly ₹26,000 crores (US$3.5 billion) and more than doubled our turnover to ₹45,000 crores (US$ 6.1 billion). We are now the second largest Unilever business in the world. Our market capitalisation increased 9 times to end the decade at over ₹570,000 crores (US$ 76 billion). In the last ten years, we have significantly improved our profitability, strengthened our portfolio, embraced emerging trends, organised ourselves to be nimbler, built distinctive capabilities, pursued our social and environmental agenda with passion & vigour and in doing so, built a strong foundation for the future. The last decade also saw HUL making the biggest acquisition in the FMCG space with the merger of GSK Consumer Healthcare, another listed company into HUL, unleashing huge synergies for our business, and helping us address nutritional needs in the under penetrated Indian markets. Let us look at some of the key pillars of our success over the last decade:

1. **Building brands with purpose:** We saw an increasing number of consumers starting to prefer brands and businesses that not only deliver great products, but also positively impact the people and planet. At Unilever, we have always believed that we do a lot more than sell soaps and soups, and we make sure that in the process of doing so, we are able to change people's lives. We have always believed that business needs to deliver the 4Gs of growth – consistent, competitive, profitable, and responsible. This fourth G recognises that it is the role of business to not just create economic value, but also social & environmental value, and to do so in a sustainable way. Through our brands and our operations, we are constantly striving to make a positive difference to the society and to the planet.

   Let us look at Surf excel, it was HUL's fifth largest brand in 2005. Then came the first 'Dirt is Good' campaign and several manifestations based on the premise 'If while doing something good, you get dirty, then dirt is good'. Today, it is the biggest brand in HUL and is a splendid example of a brand with purpose delivering sustained high performance.

   We have several purpose-driven brands in our stable like Lifebuoy, Clinic Plus, Brooke Bond Red Label, Dove, and many others. Take the Red Label 6-pack band for example – it spoke about social inclusion of the LGBTQI+ community and it has now taken another small but important step towards creating livelihood opportunities for the community through a project in Chennai that helps them become proud entrepreneurs of hot-tea-stalls. Lifebuoy, through various on-ground activations as well as through mass media, has actively advocated the importance of washing hands with soap and in fact, was the first brand to issue a public service message during the pandemic urging consumers to wash hands with soap or sanitizers of any brand.

2. **Creating categories of the future**: The steady growth in the Indian economy meant more people entering the consumption cycle, and a sizeable middle class translated into evolving consumer needs and aspirations. At HUL, we have leveraged our global knowhow, embellished it with deep local insights and innovated to meet consumer needs by constantly striving to deliver better experiences. Market Development or creating markets of the future has been an extremely important part of our agenda.

   Over the last decade, we have launched several products delivering higher-order benefits, such as liquid detergents, products developed for washing machines, salon-like hair solutions and advanced skincare & cosmetic products amongst many more. To address the growing trend of naturals, we introduced several natural variants in our existing portfolio, introduced brands from the global repertoire in India and strategically acquired Indulekha to strengthen our presence in the Premium Naturals segment. Indulekha has grown six fold in the last five years. Through the acquisition of iconic brands like Horlicks and Boost, we have entered the extremely important segment of Nutrition and have also become one of the largest Foods and Refreshment businesses in the country.

   In the last one year, to meet the growing need for health, hygiene, and sanitation, we innovated and launched several new products and formats such as fabric sanitizer, fruit and vegetable wash, anti-bacterial dishwash amongst others. With the rise in dishwasher sales in the country, we launched the Vim Matic dishwash range.

3. **Strengthening our execution credentials:** To create a business that is nimbler and alert, we needed to get close to our consumers and, at the same time, empower people at the last mile. But getting close to consumers in a country like India,

where dialects, customs and rituals change every 100 kms or so, was not easy. Winston Churchill had once famously said, "India is a geographical term. It is no more a united nation than the equator." To look at a country as diverse as India, as one homogeneous entity is a gross under-service to the vast cultural and business opportunity it presents.

To stay closer to our consumers across the length and breadth of the country, and gain a better understanding of local needs, we introduced our Winning in Many India's (WiMI) framework in 2014 which has held us in good stead. The WiMI model, classifies India into 15 relatively homogenous consumer clusters, and provides us with a nuanced understanding of our consumers, customers, and competitors. It has helped us create differentiated strategies for different clusters and has also strengthened our ability to execute them effectively. Today, the WiMI approach not only impacts the way we connect with our consumers and customers, but also provides us with insights on product development and marketing.

To enhance speed and agility in operations, we created 16 Country Category Business Teams (CCBTs). The CCBTs are multi-functional, empowered decision-making micro-organisations within the business that focus on delivering in-year results. This empowerment of our people has enhanced collaboration and fostered a founder's mindset, enabling quicker decision-making and significantly reducing the time to land innovations. Case in point: Last year, Lifebuoy launched 15 new product variations in the hand hygiene portfolio within just 30 days.

To fuel all these initiatives, we have an organisation-wide savings programme, namely Symphony, that looks at each element of our cost base, be it material, non-material costs, marketing spends, trade spends or even overheads to remove

non-value adding costs and make space in the P&L for investing behind our biggest growth opportunities.

4. **Moulding social and environmental change:** We have always been at the forefront of India's agenda of inclusive growth with HUL brands being manufactured across 29 different factories in remote areas. These factories have contributed to the creation of ecosystems and catalysed employment in surrounding areas.

   In 2013, we launched 'Project Prabhat', a community development initiative around our manufacturing locations. Prabhat has been relentlessly focussing on promoting health and hygiene, enhancing livelihoods and water conservation in and around our factories. Today, it reaches over six million people. Our 'Project Shakti' imparts training on sales and distribution to women in rural India to help them become micro-entrepreneurs. Today, Project Shakti has nearly 136,000 women micro-entrepreneurs across 18 states who are trained by us in conducting business operations.

   As an employer, we have taken several steps to make the workplace more inclusive. We have created accessible workspaces for Persons with Disabilities. We have introduced a paternity leave policy, included same sex partners in our medical policy & are trying to create a workforce that is truly diverse. Today, women make up 42% of our managerial workforce & in a few more years we will achieve gender parity.

   Hindustan Unilever Foundation (HUF) through its 'Water for Good' programme, has been able to bring about significant impact in the areas of water conservation, crop yield and livelihood generation. In the last decade, working in thousands of villages, more than 1.3 trillion litres of water potential has been created through improved supply and demand water management, over one million tons of additional agricultural

and biomass production has been generated, and more than 30 million employment days were created through this programme.

100% of electrical energy in our operations is certified renewable, and we are making solid progress with thermal energy as well. We have also stepped up our efforts in plastic waste management. Till last year, we collected & safely disposed more than 100,000 tons of post-consumer use plastic waste in collaboration with collection and disposal partners. In fact, we have committed to collect and safely dispose more plastic waste than the amount of plastic used in our packaging starting this year.

While we have been steadily making progress, I am also conscious that we have a long way ahead of us and the only way forward for businesses is the one that takes people and the planet into consideration.

5. **Establishing our digital technology backbone:** The world is standing at the crux of a paradigm shift. The pace of innovation is getting augmented with technology. From the vantage point where we are standing today, we can see the increase in computing power, the speed, the memory, the creation of artificial neural networks ... all pointing towards the power of machines. It is not unlikely that we will see machines playing an overarching role in our lives as machines' intelligence increasingly complements human beings.

   At HUL, we realised the digital opportunity and have been pursuing a technology-led agenda over the last several years. 'Reimagine HUL', is about leveraging data, harnessing latest technologies, and emerging business models to redefine how we engage with consumers, customers, and the way we operate. In fact, the power of our strong technology backbone became apparent during the pandemic.

Our connected store programme, that had already been rolled out, now covers over 500,000 stores using Shikhar - our eB2B app, which helps us receive orders even when our salesmen cannot reach the outlets during lockdowns. We were able to optimise deliveries by using location data to triangulate best possible routes to reach them by avoiding containment zones and other restrictions. This enabled us to ensure a steady supply of essentials to consumers across the country.

For our supply chain, we are using the latest manufacturing technologies, making extensive use of data and analytics, and reconfiguring our manufacturing and distribution network to bring them closer to demand. These multi-category manufacturing sites coupled with the partnerships we have developed over the years, have made our supply chain more agile, resilient, and cost competitive.

Technology is going to be the game changer, shaping societies as well as businesses. With education and medical facilities moving into the virtual space, it can, in fact, be the key to broad-based development of human capital, making products and services more accessible and democratised.

6. **Instituting a future-ready workplace:** Rick Potts, Director of the Human Origins Program at the Smithsonian Institution National Museum of Natural History had said, "... in the modern era, we know that in the human genome there are all kinds of interactions that allow human organisms to have plasticity – the capacity to adjust is itself an evolved characteristic." Our brains continue to evolve, giving us the ability to think creatively, imagine novel solutions to survive threats and ensure that we are well-placed to thrive. New levels of uncertainty and volatility require us to build new muscles that will help us to truly lead from the front while addressing changes.

This requires a fundamental shift in the way we work and the way we help our talent develop to face the challenges of the future. At HUL, we have a clear focus on learning priorities to make our people future-fit and purpose-led. To prepare our end-to-end value chain for technology-led consumption models, we are investing significantly in our digital transformation programme. We established a Digital Council, comprising of cross-functional leaders, which facilitates digital experiments across the company.

To fuel our transformation agenda, we have future-facing roles that did not exist in the earlier part of the decade. Our Digital Transformation Lead works as an evangelist to see how technology can positively impact business while the Chief Data Officer works on building data pipes and is building the foundation of a data rich company and machine augmented decision-making capabilities. We are leveraging AI for recruitment and leveraging cognitive computing and NLP from programmatic media buying, to outlet assortment recommendation, and even commodity forecasting.

At the same time, we are creating a workplace that promotes agility. We have been transforming how we work at HUL by introducing more flexible ways of working. Last year was our moment of truth. It highlighted our agility in many ways. To ensure business continuity while at the same time protect livelihoods of our people, we embarked on a holistic programme of redeployment. In a short span of time, we redeployed people from other business areas to teams that needed more manpower to meet the rising demands of the time – such as health and hygiene essentials.

III: THE PANDEMIC AND OUR RESPONSE

The last year brought into sharp focus the volatile and uncertain times we live in. It is not the first and will not be the last pandemic that the world will witness. It has been a humanitarian crisis bringing into stark focus what's ailing the planet and people. Years of abuse and unsustainable consumption have ravaged nature. The effects of climate change and loss of biodiversity have spurred a rise in zoonotic diseases, infections that come from animals. Businesses, societies, and governments will need to work together to address global challenges.

At HUL, we have been protecting people in our operations with the best safety standards as set by the Government of India, recommended by global health institutions, and guided by our global best practices. We have ensured unflinching support to people in our inner and outer core.

Our responsibilities do not stop with our people. We have stood by the country since the very beginning of the pandemic. We have donated medical equipment, including test kits and ventilators to several hospitals to address the severe strain on medical facilities and set up several isolation facilities. As manufacturers of hygiene and sanitation products that form the first line of defence against this virus, we have been working closely with the Government, NGOs, and various other partners to ensure that our consumers and communities have continued access to essential items and other daily necessities. We have donated more than 20 million soaps and sanitizers, over 100,000 bottles of toilet and surface cleaners, over 15 lakh packs of Horlicks to frontline workers, medical professionals, and communities in need. We are not only facilitating vaccinations for our people and their families across HUL locations, but are facilitating and paying wherever required for vaccination of nearly 3,00,000 people who constitute our outer core & work for our suppliers, distributors, & as Shakti Ammas.

Recently, during the second wave we leveraged our global supply chains and have airlifted 5,500 oxygen concentrators to address the need for medical oxygen in the country. While some have been distributed to hospitals in most-affected areas in sixteen states, thousands have been made available to patients at their homes, free of charge, on a 'borrow-use-return' model under our Mission HO_2PE in ten cities.

The time is now for us to anticipate the future and reimagine our roles – we are not just companies that manufacture goods and services that people consume. We are enablers of livelihoods, of social equity, of equal opportunity, and custodians of conscious consumption. This is a matter of tremendous responsibility that we as organisations need to shoulder. As an institution that is a part of nine in ten households in India, HUL is committed to taking this responsibility seriously.

IV: HUL IN THE FUTURE

The India opportunity and challenges: The second wave of the pandemic has been brutal and has ravaged the nation. However, we believe that the effects of the pandemic are just a pause in India's consumption and growth story. It has been a speed breaker in India's growth journey but will not change the trajectory.

A growing middle class, estimated to rise to half the population in a few more years, and added to this, the distinct advantage of having one of the youngest populations in the world, growing internet penetration enabling better access than ever before, and there is little left to doubt that India is poised for unprecedented growth.

This progress, however, cannot be at the cost of people or the planet. Several parts of the country are already experiencing

significant rise in temperatures. Erratic climate changes have only intensified – with Cyclone Amphan ravaging the eastern parts of the country last year and the recent Cyclone Tauktae causing severe damage on the western coast. Estimates indicate that if we continue business as usual, India will have only half the water it needs by 2030. The other big challenge for our country remains inclusive growth.

It is time for businesses and governments to work together to create shared value. HUL is committed to driving growth for stakeholders including employees, consumers, customers, suppliers and business partners, the planet and society while contributing to making India a global economic powerhouse.

HUL's winning Trio: As we enter the new decade, armed with our learnings from the past and with a commitment to build back better, HUL will rely on three drivers to propel its 4G growth agenda: First, the Unilever Compass, our sustainable business strategy and the commitments that are detailed in our Compass which will push us to strive towards becoming an even more responsible business. Second, building an Intelligent Enterprise which will further embed data, technology & analytics in all that we do and make us future fit as an organisation. And finally, the third, and perhaps the most important aspect underlying all others – Leadership in the Future.

a. **The Unilever Compass:** Let me begin with our newly launched Unilever Compass – the strategy that will drive our business and will help us on our journey to becoming a leader in sustainable business in the decades to come.

   At the heart of the Unilever Compass is our purpose: to make sustainable living commonplace and alongside it is our vision, to be the leader in sustainable business and demonstrate how our purpose-led, future-fit business model drives superior

performance. We are determined to end the debate on whether there is a trade-off between purpose and performance. We realise that being purpose-led alone will not be enough. To be successful, we will also have to be future-fit - by being fully digitised, more innovative, & faster to respond to the many changes shaping people's lives every day.

The Compass chalks out strategic choices and actions, that we believe will help us achieve our purpose and vision. We believe that Brands with Purpose Grow, Companies with Purpose Last, and People with Purpose Thrive. Through the Unilever Compass, we aim to demonstrate that robust financial results are not contrary to sustainable business; in fact, they are complementary. We plan to do this by expanding in high growth segments, leading in the channels of the future, creating brands that resonate purpose and building a future-fit organisational culture.

Bringing focus to the Compass are time-bound commitments and actionable goals that we are committing to as a company. We believe that these commitments will help tackle the key challenges of our time, such as packaging and waste, gender equality, human rights, and fair value – plus, of course, climate change and social inclusion.

Our Beauty and Personal Care Division launched the Positive Beauty Vision to drive positive change for people and the planet through its portfolio of brands. We took a decisive step to embrace diversity and promote inclusion across our Beauty and Personal care portfolio. For instance, across our Beauty and Personal Care portfolio, we are removing the word 'normal' from advertising and packaging. Our iconic brand Fair & Lovely, that had already set sail on the diversity journey through the 'HD Glow' campaign in 2019, was renamed Glow &

Lovely in 2020. Dove furthered this vision through its #StopTheBeautyTest campaign and Clinic Plus, on Women's Day, launched its new campaign pledging to educate women to stand up against domestic violence.

We announced the Clean Future vision for our Home Care division, which is an ambitious blueprint for reinventing cleaning. We will provide laundry cleaning products that are high-performing, affordable and are kinder to people and the environment. For example, we will be replacing fossil fuels used in making some of the chemicals used in laundry cleaning products with renewable and recycled carbon – with the single aim of making our cleaning products a whole lot cleaner!

The Future Foods initiative is our attempt to support a fairer, healthier, and more sustainable global food system. For example, in India, we face the challenge of insufficient calories for the poor, unsafe eating out and a diet excessive in carbohydrates but deficient in protein and micronutrients. As one of India's largest Foods and Refreshment businesses, we aim to lead the country's processed food revolution by making food healthier, safer, and with less wastage.

We believe that our social commitments and actions will help build a more equitable and inclusive society by raising living standards of people across our value chain. We have committed to ensure that every single person who provides goods and services to us, earns at least a living wage by the end of this decade. We will be supporting millions of Small and Medium Enterprises to grow their business, pioneering new models that allow employees with flexible employment options and increasing the proportion of people with disabilities in our workforce, among others.

b. **Building an Intelligent Enterprise:** The vision for 'Reimagine HUL' is to create solutions that are fit for the paradox of the

country and the complexity of the business and help us achieve our ambition.

With 'Reimagine HUL', we are now building an 'Intelligent Enterprise' moving away from the traditional linear value chain to a non-linear ecosystem by building distinctive capabilities across the organisation. This will mean that our core business will become smarter and efficient by becoming data-led and machine augmented while we create customised platforms & ecosystems for differentiated consumer & customer value. This will build a value chain that delivers for scale & efficiency of the large while building nimbleness of smalls.

The HUL of the future will be a web of intelligent ecosystems – the consumer ecosystem, customer ecosystem, operations ecosystem with data, technology, and analytics at the core. While the consumer ecosystem will constantly experiment to create superior experiences and products through trend spotting, sizing, prototyping, and validating, the customer ecosystem will digitise the process of demand generation, capture and fulfilment. The operations ecosystem will underpin the manufacturing and distribution network with digital capabilities, while data, Artificial Intelligence and Machine Learning will help us in nuanced decision-making.

On the operational ecosystem front, the transformation in supply chain – aimed at making it fully demand driven – will be across the clearly defined building blocks of Plan, Source, Make and Deliver, underpinned by integrated digital capabilities. This covers structural changes in our material sourcing, manufacturing, and distribution networks to make our supply chain ever more agile, resilient, and future-fit for the needs of our market.

As India evolves and grows, consumers are increasingly becoming more discerning & divergent. Given these divergences, marketing has become intricate as consumer journeys become complex; diverse media platforms have made it challenging to reach consumers while societal challenges have raised expectations from marketeers as people look for brands that not just deliver on functionality but also address social and environmental issues.

Our focus through the consumer ecosystem will be to make sure that we can use the right tools to pick up signals that matter to people (Get Real), create craft that stands out (Be Unmissable) while ensuring that our effort has an impact on society (Do Good).

As for the customer ecosystem, HUL has the strongest foothold in traditional trade, and we believe wiring this up will give us competitive advantage. We are digitising the entire customer journey from demand capture to demand fulfillment. At the core is the digitisation of distributor operations, AI-based order capturing followed by the next layer of intelligent operations including recommendations, replenishment-based ordering, delivery route optimisation and dynamic beat optimisation. This is complemented with data-driven capability on coverage expansion and micro-implementation in market.

Data-driven, analytics-led and AI- and ML-powered technology that leverages automation and builds intelligence over time to constantly refine each of these ecosystems will be the bedrock of this 'Intelligent Enterprise' that will drive HUL's growth in this decade.

c. **Building Leaders of the Future:** Finally, it is leadership that will make the difference. The jobs of leaders, in a world marked by disruption and threat, has never been more challenging nor more important.

Leading into this future is not for the meek. But neither is it for the arrogant, the bull-headed, or the blindly self-righteous. We need the brave, but we also need the modest; we need those who hold themselves accountable, but we also need those who are curious and experimentative. We will be steering our companies through unknowns. It will sometimes feel like all we have to rely on is trust in our people and their trust in us. The agenda for every leader will now have to include paying attention to the existential threats to society's well-being.

Leaders of tomorrow will need to be comfortable with both calm and chaos. We have seen enough to know that even with the best prediction models, we cannot predict our way to a no risk world. Leaders need to rethink their assumptions about constancy; build adaptive capacity, robustness, and resilience deep into their organisations; and reassess crisis-readiness throughout their extended enterprises.

An important element of leadership development will be to ensure that early in their careers, managers are moved across roles that provide a diverse set of experiences including some tough and challenging assignments. All this with the objective of building muscles of risk-taking, tenacity and resilience to handle unexpected situations with as much ease as steering a steady ship in placid waters.

Let me articulate what I believe will be some of the important traits that leaders would have to develop going into the future:

I) **Compassion:** The pandemic has shown that it is urgent and necessary, not just desirable, to humanise leadership. The way we have been portraying, promoting, and practicing leadership for decades — as a cocktail of vision, passion, and skills — makes leaders ill-prepared to recognise and alleviate human suffering, let alone address the systemic

issues that cause and perpetuate it. It is time for those who care for good leadership to put compassion at the center of leadership.

ii) **Sensemaking:** Sensemaking involves pulling together disparate views to create a plausible understanding of the complexity around us and then testing that understanding to refine it, or if necessary, to abandon it and start over. It is about constantly trying to make sense of the complex world around us without access to perfect information. Sensemaking is not about achieving omniscience; it is about learning. It is about having a wide network, an ability to reach out to many stakeholders, listen, see patterns in complexity, and think across polarities such as efficiency versus effectiveness, or safety versus economy.

iii) **Collaboration:** Not just within the organisation but across cross-sections of business and society, collaboration will be a defining feature of future leaders. Some of the challenges that confront humanity today are too big for any of us to solve individually. The pandemic has seen a breakdown of silos across organisational verticals, and leaders operating horizontally across teams. We need future leaders who can operate with a high level of trust and collaboration by exchanging ideas, are open to change and work together across functional & organisational boundaries to address challenges that confront us.

iv) **Purpose-driven:** Purpose creates a sense of meaning and goes beyond what an organisation does, makes, or sells. With consumers increasingly expecting companies to play a key role in addressing social and environmental issues, a larger purpose will be the guiding force for leaders in making decisions that are sustainable and in the long-term interest of both, the organisation and the world.

v) **Respond to crisis with speed and agility:** It seems obvious that when faced with a crisis, leaders should simply dial up more speed and agility to seize an opportunity. But this is easier said than done. Speed is not simply an attribute of leadership activity tied to clock time. Speed depends on three interconnected capabilities: recognition speed or how quickly external stimuli are recognised as an opportunity/threat, decision speed or how quickly decisions for action are made, and execution speed or how quickly resources, people, and/or processes are mobilised to support the action. It is important for all aspects of speed to be in sync.

vi) **Brutal optimism:** The above qualities must be combined with brutal optimism, in which leaders take a blunt and realistic approach to the serious threats at hand. They will need to present a clear account of the challenges that lay ahead but also instill in their people credible hope that collectively they have the strategy and the resources to win against challenges.

I remain very proud of the exemplary way in which my team at HUL has risen to the occasion during the pandemic. They delegated without abdicating accountability; they evoked trust in people through living their purpose; they focused on immediate issues and at the same time, looked out for medium-term opportunities; they were cognisant of the dangers, but confident of their abilities to weather the storm, and above all, they demonstrated humanity, kindness, and compassion. I believe, that at HUL, we are already building leaders who are ready to take on the future.

V. CONCLUSION

As we stand at the threshold of the new decade, let us take a moment to pause, reflect and prepare for the journey ahead. The pandemic has pushed businesses to break new ground and reimagine the future - an equitable, sustainable, & purposeful one. It puts organisations like HUL that are an integral part of the lives of most households in the country, in a position of great responsibility. It will take concerted efforts from governments, businesses, and individuals to commit to an equitable and sustainable future for both people and the planet. Hindustan Unilever is geared to walk that path. To quote Nobel laureate Kofi Annan, 'Our biggest challenge in this new century is to take an idea that seems abstract – sustainable development – and turn it into a reality for all the world's people.' It is for us to make sure that it becomes a reality in this decade.

Published by Prasad Pradhan,
Head – Sustainable Business & Communications,
Hindustan Unilever Limited,
Unilever House, B. D. Sawant Marg, Chakala,
Andheri (E), Mumbai - 400 099.

The speech can also be accessed on
the company website http://www.hul.co.in

Hindustan Unilever Limited

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