

RISKS & OPPORTUNITIES

MATERIAL ASPECTS

RISKS

Political economy in geographies of operation

- Macroeconomic factors
 - Exchange rate volatility
 - Devaluation of local currency
 - Political instability
 - Compliance and regulatory changes
 - Emerging regulations
 - Inflation
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Human capital

- Labour shortages due to industrial disputes and attrition of key staff
 - Talent attraction and retention
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Supply chain

- Labour intensive product portfolios in some geographies
 - Inadequate planning in procuring raw material
 - Inability to deliver material to the customer as per agreed delivery dates
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OPPORTUNITIES

Our focus is to build leadership in three categories (home care, hair care and personal care) and in 3 emerging geographies (Asia, Africa and Latin America). Our Risk Committee, along with regional business and finance teams, closely monitors the political economy of each geography to respond and adapt to emerging situations. Our globalisation strategy (called '3 by 3') has been very deliberate. Guided by this, over the last decade, we have created significant value through M&A and established strong beachheads.

We take much pride in fostering an inspiring workplace with an agile and high-performance culture to attract, develop and retain the best global talent.

We have adopted best-in-class, globally-acclaimed people policies and processes, which celebrate diversity and inclusion.

Our focus in manufacturing and supply chain is on becoming future-ready. We are exploring interesting opportunities through Industry 4.0 and making future-ready investments to ramp up our different processes. We have seen encouraging results in improved productivity, greater accuracy, safety and efficiency. We continue to introduce best practices across geographies and are trying to become more agile in responding to constantly changing consumer needs. Core to our approach is how we build win-win relationships with all our partners. We partner closely to ensure capability development and alignment with our core values.

STRATEGIC PILLAR ALIGNMENT

- **Extending leadership in our core categories and geographies**
 - **Enhancing go-to-market**
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- **Fostering an inclusive, agile and high-performance culture**
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- **Making our supply chain best-in-class**
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RISKS & OPPORTUNITIES

MATERIAL ASPECTS

RISKS

Social and environmental sustainability

- Environmental risks
- Dependence on natural resources
- Social licence to operate
- Community unrest
- Natural and man-made disasters

Competitive intensity

- Greater aggression by competitors
 - Competitive market conditions and new entrants in the market
 - Rapidly changing digital landscape
 - Product pricing strategy
 - Dependency on a few product categories to drive sales
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OPPORTUNITIES

As a Group, we have always actively championed social and environmental responsibility. We are now exploring ways to further this commitment through shared value initiatives that create value for both society and business. Further, as part of our Good & Green vision, we have established five environmental sustainability goals to be achieved by fiscal year 2020-21 to reduce our carbon footprint. Our business continuity plans are in place to address any man-made or natural disasters and ensure business as usual.

We have centered our growth strategy around emerging markets and the emergent consuming class in them. As incomes rise, purchasing power improves and these markets mature; new distribution systems and the digital economy are enabling greater reach. To be able to leverage this, we are ramping up our go-to-market and digital strategies and reach to go deeper and improve penetration. Our products range across home care, hair care and personal care - household insecticides, hair colour, liquid detergents, soaps and air fresheners, hair extensions, hair care, personal wash, styling in mass and professional markets, skin care, sanitisers, sun care and female deodorants. We are the leaders in most categories in the markets we operate. We are constantly innovating to create more superior quality products at affordable prices.

STRATEGIC PILLAR ALIGNMENT

- **Building an inclusive and greener world**
- **Accelerating innovation and building purposeful brands**
- **Enhancing go-to-market**
- **Leveraging digital**