

Independent Assurance Statement

The Management and Board of Directors

Hindustan Unilever Foundation,
Mumbai, India

Scope

We have been engaged by Hindustan Unilever Foundation (HUF) to perform a 'Type 1 Moderate' level of assurance, as defined by AccountAbility Assurance Standard (AA1000 AS v3) and Limited Assurance, as defined by International Standards on Assurance Engagements (ISAE 3000) for specific Key Performance Indicators ('KPIs', as listed in Annexure 2) pertaining to various community initiatives ('Projects'), supported by co-funders and executed through various Project Implementation Agencies ('PIAs', as listed in Annexure 1), to be presented in the 'HUL Subsidiary Annual Report FY 2022-23' (the "Subject Matter").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Hindustan Unilever Foundation

In preparing the KPIs to be presented in "HUL Subsidiary Annual Report FY 2022-23", the management of Hindustan Unilever Foundation is responsible for defining principles, KPIs and SOPs. The PIAs are responsible for performance as per the defined methodology against individual KPIs in accordance with the criteria mentioned in their respective SOPs. These criteria were specifically designed for KPIs to be presented in "HUL Subsidiary Annual Report FY 2022-23", as a result the subject matter information may not be suitable for another purpose.

Hindustan Unilever Foundation's responsibilities

Hindustan Unilever Foundation's management is responsible for selecting the Criteria, and for presenting the KPIs in "HUL Subsidiary Annual Report FY 2022-23", in accordance with that Criteria, in all material respects. We have been informed by that:

- HUF Reports cumulative and collective KPI values on the basis of projects carried out in particular geography through respective PIA wherein the project may or may not be solely supported by HUF through its finances. These KPI reported are thus representative of the aggregated contribution of intervention supported by HUF and multiple co-funders who agreed to work with a particular PIA.
- The KPI values are presented in the report capturing individual and consolidated performance of the 14 projects implemented through different PIAs (Listed in Annexure 1)
- HUF confirms that appropriate disclosure channels are used to inform that the KPI outputs are not only due to its financial and allied support but also include support from co-funders as well.
- HUF has provided the architecture of principles, defined KPIs and developed Standard Operating Procedures (SOPs) for each KPIs.
- The PIAs are encouraged to modify SOPs to suit their local needs, albeit with appropriate performance management systems and internal control frameworks that serve as the basis for their implementation and reporting on KPIs to HUF.
- Performance data against the KPIs submitted by respective PIAs is compiled and reviewed by HUF and thereafter represented for external independent assurance.



EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and third edition of AccountAbility's AA1000 Assurance Standard (AA1000 AS v3). The terms of reference for this engagement as agreed with Hindustan Unilever Foundation on 19th October 2022. Those standards require that we plan and perform our engagement to obtain 'Type 1, Moderate' level of assurance (as per AA1000 AS v3) whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the KPI values and related information and applying analytical and other appropriate procedures. Our procedures included:

- Test of data, analytical procedures, review of records and review of documentations on a sample basis, as submitted by respective PIAs, to arrive at the KPI values (mentioned in Annexure 2) for FY 2021-22.
- Consultations with select external and internal stakeholders of 14 PIAs through desktop reviews and field visits (bifurcation of desktop reviews and field visits is mentioned in Annexure 1), inclusive of communities, village level institutions and other relevant parties, whom we considered necessary for the purpose of our review through desktop reviews and field visits of project districts
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.

- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed.
- We have relied upon information, documents, records and explanations provided by respective disclosing entity for the purpose of our review. Representations, supporting documentation and certain empirical estimates were provided by the representatives of HUF or PIAs for the selected samples subjected to review.

Emphasis of matter

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2021 to 31st March 2022 is the reporting period)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Report, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The company's compliance with regulations, acts, guidelines, with respect to various regulatory agencies and other legal matters

Conclusion

○ As per ISAE 3000 Limited Assurance:

- On the basis of our review nothing has come to our attention that would cause us not to believe that HUF has reported the specified KPI values fairly, in line with SOPs adopted by PIAs developed in guidance of HUF.

○ As per AA 1000 AS – Type 1, Moderate:

- Inclusivity – As per the information provided to us, we are not aware of any matter that would lead us to conclude that the criteria related to the inclusivity principle has not been applied for the key stakeholders for whom the Projects are meant.

- Materiality – As per the information provided to us, we are not aware of any matter that would lead us to conclude that HUF and the PIA(s) have not applied the criteria related to or identified the issues that are material to the impacted stakeholders covered under the Projects.

- Responsiveness – Based on our review, nothing has come to our attention that causes us to believe that

HUF has not demonstrated its commitment to understand stakeholders' concerns, as evident from its various stakeholder consultation engagement mechanisms which have been applied at select projects.

- Impact – As per the information provided to us, we are not aware of any matter that would lead us to conclude that the criteria related to the impact principle has not been applied for the key stakeholders for whom the projects are meant.

Restricted use

This report is intended solely for the information and use of Hindustan Unilever Foundation and is not intended to be and should not be used by anyone other than Hindustan Unilever Foundation



For and on behalf of Ernst & Young Associates LLP

Shailesh Tyagi
03/03/2023
Mumbai, India



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Annexure 1

Information of Projects and respective PIAs covered under the scope of Assurance

Review Conducted Through Field Visits		Review Conducted Through Desktop Mode	
Name of PIA	Project Title	Name of PIA	Project Title
People's Action for National Integration (PANI) -Swera	Sustainable solutions for water efficient; economically rewarding agriculture for small farmers in East UP	Mysore Resettlement and Development Agency (MYRADA)	Breakthrough Solutions for efficient water use in agriculture in Hosur, Tamil Nadu and Pondicherry
Foundation for Ecological Security (FES)	Building Government System Capacity for Behaviour Change at Scale	Professional Assistance for Development Action (PRADAN)	Securing Food and Livelihood through in situ soil and moisture conservation in Chhotanagpur plateau
Parmarth Samaj Seva Sansthan (PSSS)	Breakthrough solutions for efficient water use in agriculture in Etah, Sumerpur- Hamirpur districts in UP & Chhindwara district in Madhya Pradesh	Professional Assistance for Development Action (PRADAN)	Evergreen in the East (EIE)
BAIF- Maharashtra Institute of Technology Transfer for Rural Areas (MITTRA)	Drinking water security in tribal communities through a comprehensive hydrogeological	BAIF Development Research Foundation (BAIF)	Breakthrough Solutions for Efficient Water Use in Agriculture in Khamgaon, Buldhana district Maharashtra, Silvassa, UT of Dadra and Nagar Haveli & Gandhidham, Kutch district in Gujarat
Centers for International Projects Trust (CIPT)	Solution for responsible water use and long-term viability of agriculture in Punjab	Watershed Organisation Trust (WOTR)	Securing Water and Livelihoods through Community-Led Watershed Development in Semi-Arid, Drought Prone Region of Maharashtra
Self-Reliant Initiatives through Joint Action (SRIJAN)	Reviving Bundelkhand's traditional tanks through community-led action to stabilize agricultural livelihoods in a region vulnerable to chronic water distress	Vikram Sarabhai Centre for Development Interaction (VIKSAT)	Transforming water security and agricultural potential for small tribal farmers in dry arid districts of Northern Gujarat
Professional Assistance for Development Action (PRADAN)	Betterment of Lives & Ecology Through Strengthening Systems (BLESS Ushar Mukti)		
Villgro Innovation Foundation	Identify, support, and scale-up social entrepreneurs to solve India's agricultural water crises		

Annexure 2
Key Performance Indicators (KPIs) covered under the scope of Assurance
(Consolidated for all 14 projects - with financial support from co-funders)

S.No.	Key Performance Indicator	Unit	Assured KPI values for FY 2021-22	Cumulative & Collective KPI Values as reported by HUF (till FY 2020-21)		Cumulative & Collective KPI Values as reported by HUF (till FY 2021-22)	
			Limited (ISAE 3000) & Type -1. Moderate (AA1000AS)	Reasonable (ISAE 3000) & Type -1. High (AA1000AS)	Limited (ISAE 3000) & Type -1. Moderate (AA1000AS)	Reasonable (ISAE 3000) & Type -1. High (AA1000AS)	Limited (ISAE 3000) & Type -1. Moderate (AA1000AS)
1	Program based Performance Principle of "Quantity of Water"						
1.1	Water Availability (cumulative and collective contribution)						
1.1.1	Supply Side						
1.1.1.1	Water potential through the Project(s) - Due to rejuvenation of water bodies and/or Due to new water harvesting and/or Due to soil and water conservation measures (which has been subjected to monsoon rainfall)	Billion Litre	261.5	-	860.59	-	1122.09
1.1.1.2	Water potential through the Project(s) - Due to rejuvenation of water bodies and/or Due to new water harvesting and/or Due to soil and water conservation measures (which are yet to be subjected to monsoon rainfall)	Billion Litre	63.65	0.52	89.64	0.52	153.29
1.1.2	Demand Side						
1.1.2.1	Water savings potential due to various management interventions adopted (Demand Side)	Billion Litre	367.41	-	974.95	-	1342.36
2	Program based Performance Principle of "Benefits to the Community"						
2.1	Person Days Generated						
2.1.1	Person days generated due to the project works	Number	4,39,20,322.50	26,41,532.00	4,96,27,044	26,41,532	9,35,47,366.50
2.1.2	Person days generated due to enhanced water availability/ adoption of improved agriculture practices and/or allied activities	Number	46,21,129.50	155.00	93,02,512	155	1,39,23,641.50
2.2	Additional Agriculture and Biomass Production (annual)						
2.2.1	Additional annual Agricultural and Biomass; Production achieved (due to improved availability of water and/or due to improved agricultural practices)	Tonne	4,17,885	8,405	13,04,238.56	8,405	17,22,123.56

Note:

► Cumulative KPI values till FY 2020-21 are as provided by HUF. These values include values assured (whether under Limited or Reasonable Assurance) by previous assurance providers and have been relied upon in arriving at cumulative and collective KPI values till FY 2021-22. Assurance Statement for FY 20-21 and before, can be accessed from HUF.