

## 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, Revised) for specific Key Performance Indicators ('KPIs', as listed in Annexure 2) pertaining to various community initiatives ('Projects'), supported by co-founders and executed through various Project Implementation Agencies ('PIAs', as listed in Annexure 1), to be presented in the 'Hindustan Unilever Foundation (Subsidiary of Hindustan Unilever Limited) Annual Report 2023-24' (the "Subject Matter") for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

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 'Hindustan Unilever Foundation (Subsidiary of Hindustan Unilever Limited) Annual Report 2023-24', 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 Standard operating Procedures (SOPs). These criteria were specifically designed for KPIs to be presented in 'Hindustan Unilever Foundation (Subsidiary of Hindustan Unilever Limited) Annual Report 2023-24', 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 'Hindustan Unilever Foundation (Subsidiary of Hindustan Unilever Limited) Annual Report 2023-24', in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error. We have been informed 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-founders who agreed to work with a particular PIA.
- The KPI values are presented in the report capturing individual and consolidated performance of the 13 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-founders as well.
- HUF has provided the architecture of principles, defined KPIs and developed Standard Operating Procedures (SOPs) for each KPI.

- The PIAs are encouraged to contextualize 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 Revised'), 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 29<sup>th</sup> September 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be 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 management

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 Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or 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, encompasses a limited sample assessment of records, field assessment/validation, and stakeholder engagement.

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 2022-23.
- Consultations with select external and internal stakeholders of 13 PIAs through field visit and desk review (11 for field visits and 2 for desktop reviews), 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/villages.
- 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.

We also performed such other procedures as we considered necessary in the circumstances.

#### Other matters

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023)
- Data and information on the 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, and guidelines with respect to various regulatory agencies and other legal matters

#### Conclusion

- As per 'ISAE 3000 Revised' Limited Assurance:

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Key Performance Indicators ('KPIs', as listed in Annexure 2) pertaining to various community initiatives ('Projects'), supported by co-founders and executed through various Project Implementation Agencies ('PIAs', as listed in Annexure 1), to be presented in the 'Hindustan Unilever Foundation (Subsidiary of Hindustan Unilever Limited) Annual Report 2023-24', in order for it to be in accordance with the Criteria for the period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

- 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



Chaitanya Kalia  
19/02/2024  
Mumbai, India



## Annexure 1

### Information of projects and respective PIAs covered under the scope of Assurance

Review Conducted through Field visit	
PIA	Project Title
Swayam Shikshan Prayog (SSP)	Marathwada District Transformation Model
Self-Reliant initiatives through Joint Action (SRIJAN)	Reviving Bundelkhand's traditional tanks through community-led action to stabilise 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
Parmarth Samaj Seva Sansthan (PSSS)	Ensuring water security for agriculture through sufficiency and efficiency approach in the villages of Etah, Sumerpur- Hamirpur, districts in UP & Chhindwara district in Madhya Pradesh
Mysore Resettlement And Development Agency (MYRADA)	Breakthrough Solutions for efficient water use in agriculture in Hosur, Tamil Nadu and Pondicherry
VILLGRO Innovation Foundation	Enabling Sustainable Impact through innovative solutions for water conservation and water use in agriculture
Professional assistance for Development Action (PRADAN)	Evergreen in the East
BAIF Development Research Foundation	Breakthrough Solutions for Efficient Water Use in Agriculture in Khamgaon, Buldhana district, Silvasa, Nagar Haveli, Gandhidham & Kutch
Centers for International Projects Trust (CIPT)	Solution For Responsible Water Use and Long-Term Viability of Agriculture In Punjab
Professional assistance for Development Action (PRADAN)	Betterment of Lives & Ecology Through Strengthening Systems (BLESS Ushar Mukti)
People's action for national integration (PANI)	Sustainable solutions for water efficient; economically rewarding agriculture for small farmers in East UP

Review Conducted Through Desk Review	
PIA	Project Title
Foundation of Ecological Security (FES)	Building Government System Capacity for Behavior Change at Scale
Watershed Organization Trust (WOTR)	Securing Water and Livelihoods through Community-Led Watershed Development in Semi-Arid, Drought Prone Region of Maharashtra

Annexure 2  
Key Performing Indicators (KPIs) covered under the scope of Assurance  
(Consolidated for all 13 projects- with financial support from co-founder)

S.No.	Key Performance Indicators	Unit	Assured KPI Values for FY 2022-23	Cumulative & Collective KPI Values as reported by HUF*(Till FY 2021-22)		Cumulative & Collective KPI Values as reported by HUF (Till FY 2022-23)	
			Limited [ISAE 3000, (Revised) & Type 1 Moderate (AA1000AS)	Reasonable (ISAE 3000) & Type-1 High (AA1000AS)	Limited [ISAE 3000, (Revised) & Type 1 Moderate (AA1000AS)	Reasonable (ISAE 3000) & Type-1 High (AA1000AS)	Limited [ISAE 3000, (Revised) & 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 (in BL)						
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 Liter	168.60	-	1122.09	-	1,290.69
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 Liter	70.35	0.52	153.29	0.52	223.64
1.1.2	Demand Side (in BL)						
1.1.2.1	Water savings potential due to various management interventions adopted (Demand Side)	Billion Liter	383.05	-	1342.36	-	1,725.41
2	Program based Performance Principle of "Benefits to the Community"						
2.1	Person Days Generated (in Number)						
2.1.1	Person days generated due to the project works	Number	21,16,952.00	26,41,532.00	9,35,47,366.50	26,41,532.00	9,56,64,318.00
2.1.2	Person days generated due to enhanced water availability/ adoption of improved agriculture practices and/or allied activities	Number	26,32,322.00	155.00	1,39,23,641.50	155.00	1,65,55,963.50
2.2	Additional Agriculture and Biomass (in tons)						
2.2.1	Additional annual Agricultural and Biomass Production achieved (due to improved availability of water and/or due to improved agricultural practices)	Tonne	3,61,842.50	8,405	17,22,123.56	8,405	20,83,966.06

*\*Note: Cumulative KPI Value till FY 2021-22 are as provided by HUF. These values include values assured 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 2021-22 and before, can be accessed from HUF.*