

CORPORATE SOCIAL RESPONSIBILITY PRACTICES OF HINDUSTAN UNILEVER LIMITED-A CASE STUDY OF FMCG COMPANY

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ABSTRACT

Hindustan Unilever limited is a company that operates in a socially conscious manner. Over the years, the organization has worked for the benefit of society through a variety of projects, including the Unilever Sustainability Lifestyle Plan (USLP), which aims to have a positive impact on the environment and society. This article attempts to provide an overview of the initiatives taken by the most popular Indian FMCG company, Hindustan Unilever, limited to studying its impact on society. All the data related to CSR of HUL is collected from the official website of the company and from the National CSR portal from the year 2014-15 to 2019-20. Content analysis and descriptive research analysis has been used in the present study. This study provides that company is engaged in CSR activities with special focus on women empowerment and green & clean environment.

Keywords- *CSR, CSR spend, CSR Practices, HUL, Thematic areas.*

INTRODUCTION

CSR rapidly received widespread prominence and reached a new level of significance in the world economy. Discussions continue on what defines business social responsibility, what is the sphere of social responsibility and when a company can really be called a socially conscious company. Companies are increasingly valuing corporate social responsibility (CSR), and it is playing an increasingly essential part in the creation of their strategy (Nave & Ferreira 2019; Mousiolis & Zaridis, 2014).

The fast-moving consumer goods (FMCG) industry dominates the Indian corporate sector. Hindustan Unilever Limited, Imperial Tobacco Company (ITC), Nestle India Limited, Dabur India Limited, and others are prominent companies in this industry in India. HUL is regarded as the most dependable organization.

HUL is located in Mumbai and it is a household products manufacturer. It is an affiliate of the UK Corporation Unilever. It includes meals, drinks, cleaning materials, hygiene products and sanitizers as well as other rapidly changing consumer items. HUL was founded in 1931, as a production plant as Hindustan Vanaspati, and renamed Hindustan Unilever Limited in June 2007.

As of 2019, 35 consumer products in 20 segments were included in the inventory of Hindustan Unilever. In FY2017–18, the firm employs 18,000 people and has generated revenues of Rs.34619 crores. After fulfilling all procedural requirements, HUL announced in April 2020 its amalgamation with GlaxoSmithKline Consumer Healthcare (GSKCH India).

The Unilever Global Sustainability Plan (USLP) creates conducive atmosphere and increases its social effect for Hindustan Unilever Limited. They operate under the Unilever Sustainable Living Plan (USLP), which supports initiatives specified in Section 135 of Annex VII of the Company Act 2013. The USLP has three national objectives, including helping people to have better health and quality of life, reducing environmental imprint and improving overall commercial activities.

Mr. O. P. Bhatt (chairman), Mr. Aditya Narayan, Dr. Sanjiv Misra, Mr. Kalpana Morparia, Mr. Sanjiv Mehta & Mr. Srinivas Phatak are on the Board for CSR. In 2018-19, HUL was given the 'Company Citizenship Award' by the Bombay Business association. HUL has been awarded a prestigious award for its commitment to the Swachh Bharat Mission of the Indian government and efforts by the Jal Shakti Ministry to efficiently manage plastic trash.

REVIEW OF LITERATURE

Several researches on CSR practices have been conducted in various nations to study their relevance and impact (Andrew et al., 1989; Sharma & Kiran 2012; Lynn 1992; Narwal & Sharma 2016; Savage 1994; Bala & Singh 2014; Kreuze et al. 1996; Nafez & Naser 2000; Kumar, M., & Anand, V. 2021)

AmbaRao (1993) agrees that the notion of CSR is based on principles of management and has a wide variety of meanings. Carroll (1999) found numerous CSR interpretations. Hemingway & MacLagan (2004) "CSR may be viewed as a process in

which managers take responsibility for identifying and accommodating the interests of those affected by the organization's actions".

World Business Council for Sustainable Development (1999) "The continuing commitment of business to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life". According to Marrewijk (2003), the idea encompasses all efforts conducted by corporations that try to integrate social and environmental challenges into business operations and contacts with stakeholders while also paying close consideration to corporate governance. Dahlsrud (2008) there are five aspects of CSR namely environmental aspect, the social considerations, financial aspects, stakeholder dimension, and the benevolence dimension.

CSR is commonly considered of as a strategy for incorporating social and environmental concerns into business operations. In general, three basic CSR perspectives may be distinguished: corporate philanthropy (Porter and Kramer, 2002), integrating stakeholder perspectives (Buysse and Verbeke, 2003; O'Riordan and Fairbrass, 2008), and widely interpreted CSR that incorporates environmental issues (European Commission, 2011).

OBJECTIVES

The present paper has following objectives:

1. To highlight the CSR profile and CSR initiatives of Hindustan Unilever Limited.
2. To Study the CSR Expenditure of the company to have an insight of Company's CSR spend on year on year basis.
3. To understand the company's major Thrust areas of CSR where company is spending rigorously.

METHODOLOGY

The present paper has made an attempt to highlight the CSR Practices of Hindustan Unilever limited. Content analysis and descriptive analysis is used in the present study. For this, secondary data was collected from various e-sources particularly from the company's website and from National CSR portal. Percentage method and simple average has been calculated to understand the status of CSR spend in the company. Tabulation and graphical presentation of data has been made to make it more concise and understandable.

CSR Projects of Hindustan Unilever limited

The HUF- It is a non-profit corporation that serves as a platform for anchoring of water governance in relation to the growth of communities and sustainable development activities. HUF runs the 'Water for Public Good' initiative to regulate water distribution and improve agricultural subsistence by adopting sensible techniques for water governance.

Initiatives WASH (Water, Sanitation and Hygiene) - This initiative help young children from diarrhea and other breathing conditions in India. Hand washing, particularly optimizes the quality of life, cleanliness and lowers infant death, and it is an economical methods to combat chronic illnesses. Lifebuoy as one of HUL's major companies has risen to prominence in 2010 with its CSR activities, reaching more than 72 million Indians. In 2019, 1.6 million persons benefited from this initiative as a result of regular hand hygiene. Lifebuoy collaborated with GAVI (Global Alliance for Vaccine Initiative), Project Hope, and Bharat Scouts and Guides to promote consistent hand-washing habits in this country.

'Safal Shuruaat'- In 2017, it was initiated by a unique Gavi-Lifebuoy cooperation in 14 districts in the state of Uttar Pradesh to save children from early deaths. In order to spread awareness of WASH, this initiative employs short videos which are presented in rural regions. Until now, this HUL CSR has addressed 1.5 million individuals and intends to engage 2.5 million.

Swachh Bharat Abhiyan -The 'Swachh Aaad Swachh Bharat' initiative of HUL CSR strives to support excellent sanitation facilities practice in keeping with the govt's vision of Swachh Bharat. In Swachh Bharat Several hygienic behaviors are adopted like hand cleaning 5 times a day, Avoid open defecation, toilet & hygiene. The job of Swachh Bharat is taken over by 4,000 workers from 25 HUL companies and educated their localities to follow improved WASH practices. The Resilient Strategy has impacted 21 million individuals.

Asha Daan-The project started in 1976 to establish Asha Daan, the shelter of orphaned and vulnerable children, HIV positives and disadvantaged individuals in Mumbai. More than 400 individuals, primarily newborns, poor male & female, and Aids sufferers, are cared for. HUL presently works to restructure the house with the aim of providing excellent facilities to take better care of the individuals in the institution.

Project Shakti- In communities across India, the Shakti project gives rural females an expertise in nurturing entrepreneurial spirit and being economically secure. These Shakti women owners are being trained by HUL's Rural Sales Promoters (RSPs) squad in order to successfully govern their organization, thereby becoming efficient sales people. The Shakti project has about 1.20 lakhs female micro-entrepreneurs in 18 states and has contributed to revenue generation by marketing HUL goods, having a tremendous influence on the lifestyle of females and actually providing them Shakti.

Project Prabhat - Project Prabhat strives to produce a meaningful transformation in the villages and cities surrounding Hindustan Unilever Limited, with sustainable growth throughout the whole region. Prabhat took one further stride in 2019 and established a unique centre in Kolkata, where people with disabilities (PwDs) will be educated for e-commerce. Prabhat has collaborated for growth choices with NGOs like LabourNet. These initiatives are designed to provide learning in cosmetics & hair styling, personalization, retailing, electricity connection, etc.

COVID-19 assistance – HUL donated Rs.100 crores to assist authorities to combat the Coronavirus during COVID-19 epidemic. HUL also provided 29 advanced ventilators to Maharashtra Treatment Centers.

Data analysis and interpretations

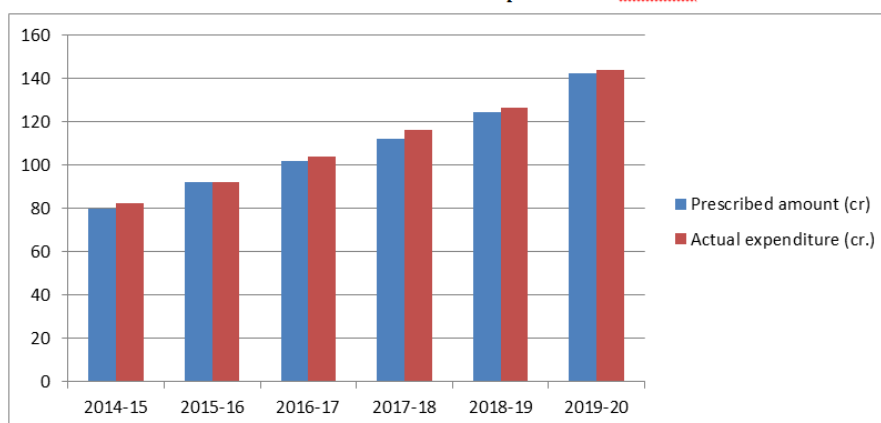
Table-1 Actual and Prescribed CSR spend of HUL Yearwise

(Rupees values - in crore)

Year	Prescribed amount (cr)	Actual expenditure (cr.)	% of Actual exp toward prescribed amount
2014-15	79.82	82.35	103.17%
2015-16	91.94	92.12	100.20%
2016-17	101.71	103.88	102.13%
2017-18	112.2	116.09	103.47%
2018-19	124.19	126.45	101.82%
2019-20	142.2	143.74	101.08%

(Source-Author compilation from data Collected from Annual reports of Company concerned and National CSR portal from 2014-15 to 2019-20)

Chart 1- Prescribed and Actual CSR spend of HUL Yearwise



(Source-Author compilation from data Collected from Annual reports of Company concerned and National CSR portal from 2014-15 to 2019-20)

Table 1 and chart 1 exhibit the CSR spend of Hindustan Unilever limited from the year 2014-15 to 2019-20. Besides this prescribed amount of CSR was also tabulated and presented. A comparison of actual CSR Spend with Prescribed amount was made to understand whether company was adhered to its mandatory CSR provisions. As it is depicted clearly in the chart that company's actual CSR spend was always in line with the prescribed amount or we can say that it is slightly higher than the prescribed amount. It is also observed that CSR graphs are increasing year on year basis.

Table- 2 CSR Initiatives of HUL in various Development Sector Yearwise (Rs - in crore)

Focus Areas/ Years	2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
HSPE	4.31	5.23	0.7	0.76	0.67	0.64	3.08	2.65	51.99	41.12	42	29.22
ETLE	4.06	4.93	5.08	5.51	6.54	6.30	0.28	0.24	43.35	34.28	56.06	39.00
ES	26.06	31.65	22.51	24.44	23	22.14	33.17	28.57	8.95	7.08	30.72	21.37
DUS	47.92	58.19	45.36	49.24	46.25	44.52	43.47	37.45	16.08	12.72	7.57	5.27
PMCFD	0	0.00	18.47	20.05	27.42	26.40	30.48	26.26	0	0.00	0.15	0.10
SP	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
NHAC	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
RDCD	0	0.00	0	0.00	0	0.00	5.61	4.83	6.08	4.81	7.24	5.04
RD	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

AFVWW	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
OTHER	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	82.35	100.00	92.12	100.00	103.88	100.00	116.09	100.00	126.45	100.00	143.74	100.00

(Source-Author compilation from data Collected from Annual reports of Company concerned and National CSR portal from 2014-15 to 2019-20)

It is clearly evident from the table no-2 that in year 2019-20 HUL has spent mostly on education, training & livelihood enhancement projects of CSR where company had expended 39% of the total CSR spending. Then next priority was given to health, sanitation & poverty eradication projects and environment sustainability projects where expended amount was 29.22% and 21.37% of total CSR spend of the year. Some focus was given towards development of underprivileged section and for rural and community development projects where company spent 5.27% and 5.04% of total CSR spend. This way company contributed 143.74 crore for CSR projects in the year 2019-20. In the year 2018-19 the main focus of company's CSR activities was on health, sanitation & poverty eradication projects, education, training & livelihood enhancement projects, projects for the development of underprivileged section, environment sustainability projects, and rural development and community development projects where company spent approximately 41.12%, 34.28 %, 12.72%, 7.08% and 4.81% respectively out of the total CSR spend. This way company contributed 126.45 crore for CSR projects in the year 2018-19. In previous years also company CSR pattern is almost same and company generally spend on health, education, environment and rural development areas.

Table -3 Total and average of CSR spend on the basis of Thematic areas (Rs - in crore)

Year/ Focus Area	HSPE	ETLE	ES	DUS	PMCFD	SP	NHAC	RD&CD	RD	AFVWW	OT	Total
2014-15	4.31	4.06	26.06	47.92	0	0	0	0	0	0	0	82.35
2015-16	0.7	5.08	22.51	45.36	18.47	0	0	0	0	0	0	92.12
2016-17	0.67	6.54	23	46.25	27.42	0	0	0	0	0	0	103.88
2017-18	3.08	0.28	33.17	43.47	30.48	0	0	5.61	0	0	0	116.09
2018-19	51.99	43.35	8.95	16.08	0	0	0	6.08	0	0	0	126.45
2019-20	42	56.06	30.72	7.57	0.15	0	0	7.24	0	0	0	143.74
Total	102.75	115.37	144.41	206.65	76.52	0	0	18.93	0	0	0	664.63
Average	17.13	19.23	24.07	34.44	12.75	0	0.00	3.16	0	0	0	

(Source-Author compilation from data Collected from Annual reports of Company concerned and National CSR portal from 2014-15 to 2019-20)

HSPE- Health, Sanitation & Poverty Eradication

ETLE- Education, Training & Livelihood Enhancement

ES- Environment Sustainability

DUS- Development of Underprivileged Section

PMCFD- PM CARES fund & Donation

SP- Promotion of Sports

NHAC- National Heritage, Art & Culture

RD&CD- Rural Development & Community Development

RD- Research and Development

AFVWW- Armed forces veterans, war widows & dependents

OTHER- Any other area of CSR

Table -3 presented the yearwise CSR spend on various thematic areas like Health, Sanitation & poverty eradication, Education, Training & livelihood enhancement, Environment Sustainability Development of Underprivileged section, PM CARES fund & Donation, Promotion of Sports, National Heritage, Art & Culture, Rural Development and Community Development, Research & Development, Support for Armed forces, veterans, war widows, their dependents & others. It is clearly evident from the table that in the six years understudy, company's prime thrust is on Development of Underprivileged section of the society like women, senior citizen, disabled persons etc to bring them into mainstream with average of 34.44 crore of CSR spend. Second focus area is environment sustainability with average CSR spend of Rs. 24.07 crore. This way company's CSR is basically revolving around health, education, environment, development of underprivileged section, PM cares fund and Rural and community development etc. company CSR policies and practices should be comprehensive and should includes other areas also like research and development, promotion of sports, culture, development of Armed forces etc to make its CSR more holistic.

CONCLUSION

For expanding economies like India, CSR is a significant instrument for progress and expansion. Indian corporate sector is very crucial in this context. India's fourth-largest industry is fast-moving consumer goods (FMCG), with home and personal care. Large corporate houses like HUL are the major contributors towards the CSR and their contributions can bring sea change in the development scenario of the nation. Corporate Social Responsibility (CSR) is deeply ingrained into the work culture of Hindustan Unilever limited. As Hindustan Unilever's CSR spending has consistently exceeded the government's recommended level, this demonstrates the company's commitment to its mission statement of "creating value for society." There haven't been many research studies analyzing CSR activities by Indian companies since CSR regulations were revised, this study fills in the information gap and offers new perspectives into Hindustan Unilever Limited's compliance with the new CSR criteria established by the Companies Act, 2013.

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