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Corporate Social Responsibility: A Study On CSR Initiatives Of HUL In India

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ABSTRACT:-

An extensive analysis of Hindustan Unilever Limited's (HUL) Corporate Social Responsibility (CSR) initiatives in India is presented in this research study. HUL, one of the top manufacturers of consumer goods in the nation, is a leader in tackling a range of social, Economic, and environmental issues through its CSR programs. This study researches the nature, extent and impact of HUL's CSR activities across several dimensions, such as community development, environmental sustainability etc. The study is based on the secondary sources like business reports, scholarly literature, and annual report of HUL. By analyzing these sources, the research offers valuable insights into the evolving CSR landscape in India. Ultimately, this study contributes to the ongoing discourse on CSR in Indian corporate sector and underscores the significance of corporate citizenship in driving positive societal change and sustainable development. It explores the growth of CSR and its activities undertaken by the company in India, aiming to make the planet a better place for future generations.

Keywords: - Corporate Social Responsibility, CSR activities, HUL, Social Community Development, Environmental Contribution

INTRODUCTION:-

“Social responsibility refers to the businessman’s decision and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest.” Corporate Social Responsibility (CSR) has emerged as a fundamental aspect of modern business practices, reflecting a company’s devotion to operating ethically and contributing positively to society and the environment. In Indian context, where businesses are increasingly being scrutinized for their impact on society, CSR has become a critical area of focus for companies seeking to build sustainable and responsible business models.

One important question is whether Indian management genuinely believes in CSR and its potential to benefit society and the economy. An eminent industrialist once said, "CSR is just a fashion statement," although some have referred to it as PR. CSR is essentially a voluntary activity, yet even when companies are urged to participate, virtually little is done. India has not been able to establish a structure that would allow Indian businesses to implement CSR.

Hindustan Unilever Limited (HUL) is a notable player in the Indian corporate scene, distinguished for its enduring allegiance to corporate social responsibility. HUL is a major fast moving consumer goods (FMCG) company in India. Its CSR programs have had a significant effect on the environment, employees, and communities. With a wide range of products from foods and beverages to personal care and homecare, HUL has taken advantage of its broad reach and resources to solve important social and environmental issues confronting the nation.

LITERATURE REVIEW:-

Md. Sharique Imroze(2023) studied that the preferred CSR undertakings of FMCG companies were health hygiene and nutrition, environment sustainability, water and sanitation projects and women empowerment etc.

Dalwadi, P, & Japee G (2023) explored the ten CSR contributing companies in India that are actively contributing to CSR and environmental sustainability efforts. The result indicated a significant variation in CSR spending and contribution towards environmental sustainability. The study recommends that companies should adopt sustainable practices and invests more in environmentally sustainable CSR initiatives to achieve balance between economic development and environmental conservation.

Bag, S, Omrane, A (2022) the study aim was to test the analytical connection between CSR and corporate financial performance of the top 100 companies listed by the National Stock Exchange (NSE) of India. Based on the results attained, it also suggested that Indian corporate firms secure better financial performance by committing themselves in CSR activities.

Mishra, I, (2021) studied the CSR activities with sustainable development goals and also review the mandatory CSR activities of 40 Indian companies and how companies are leveraging CSR thereby attaining sustainable and innovative target.

Shetty, T.S. & Shreenidhi,B.S.(2018) studied the CSR activities of a most popular FMCG company HUL. The most preferred CSR initiatives of HUL were observed. The adversity for the company is to decide a strong and inventive CSR strategy which should provide high performance in ethical, environmental and social areas and meet all stakeholders’ objectives.

RESEARCH GAP:-

From the above literature review it was found that no study has been conducted from the period 2018-19 to 2022-23 in context of the objectives stated in the study. So, the present scenario of CSR initiatives of selected company i.e. HUL was not depicted by the above researchers.

Objectives of the study:-

1. To know the concept of CSR.
2. To study the purposes and types of corporate social responsibility (CSR) activities carried out by the selected company in India.

RESEARCH METHODOLOGY AND DATA BASE

The present study is descriptive in nature as it experiment the content of various areas of social reporting of selected two companies in India.

This study examined the social responsibility practices of a well known FMCG company, Hindustan Unilever Limited (HUL), as the sample company. Data spanning five consecutive years, from 2018-19 to 2022-23, has been utilized for analysis. The technique of content analysis has been used to measure the percentage of content revealed by the company for the reporting of social responsibility practices. The study is based on the data collected from the Annual Reports of HUL on the basis of availability of data. After that the trend analysis been applied to see the trend of CSR in the annual report in different years. The current study is purely based on secondary data.

CSR ORIGIN AND DEVELOPMENT IN INDIA

There are four main stages to the development of CSR in India:

CSR's early stages were spurred on by the selfless acts of philanthropists and charitable giving. In addition to industrialization, it was affected by culture, religion, family values, and customs. Prior to 1850, affluent merchants donated their reserves to the community through the foundation of temples or other places of worship. Industrialist household units such as the Tatas, Birlas, Modis, Godrej, Bajajs, and Singhanias, among others, backed this idea in the 1900s by establishing trust for community development, educational and medical facilities, and philanthropic organizations.

The industrialists were pressured to present their devotion to the betterment of society during the second phase of the independence movement. Mahatma Gandhi advocates on the wealthy industrialists to contribute their wealth for the profit of underprivileged section of the society.

In the third phase, which continued from 1960 to 1980, the establishment of public sector organizations to guarantee equitable wealth distribution across the nation had an effect on CSR. Corporate misbehavior was

caused by the industrial licensing legislation, hefty taxes, and limitations on the private sector. Consequently laws pertaining to labor, environmental, and corporate governance were supported.

In the fourth phase, Indian corporate companies incorporated Corporate Social Responsibility (CSR) into a sustainable business strategy starting in the year 1980. The country's economic growth exploded in the 1990s as a result of economic liberalization and globalization and the removal of guidelines and licensing requirements. This resulted in a stronger push for industrial growth, which allowed the businesses to increase their social responsibility assistance.



SOURCE:- <https://thecsrjournal.in/wp-content/uploads/2019/11/Carrols-Pyramid-of-CSR.jpg>

CONSTITUTIONAL STATUS OF CSR IN INDIA:-

CSR is covered by Schedule VII of the Companies Act of 2013 and Section 135 of the Corporate Social Responsibility Rules of 2014. All companies, including holding and subsidiary companies, with a net worth of at least Rs. 500 crores, a revenue of at least Rs. 1000 crores, and a net profit of at least Rs. 5 crores are mandated to stick to all CSR regulations. Every business that qualifies for CSR must set up a board committee dedicated to CSR. The firm's board of directors is accountable for making sure that, in compliance with its CSR policy; the specific company spends, in each fiscal year, no less than two percent of its average net earnings from the three years prior.

Prior, companies were required to comply or deliver reasons for noncompliance and after that get absent with it. But, as per the unused correction (2019) of Area 135 of the Companies Act, 2013, getting absent is not that simple. Revision of the area consolidates a arrangement, agreeing to which in the function that a company is incapable to spend the target sum kept for CSR exercises at that point it is required to exchange the sum to a support which is endorsed beneath plan VII, for case, Prime Minister's National Help Finance. Inside 30 days after the date of closure of the 3rd money related year, the unspent amount of cash has got to be exchanged to the specific finance. In the event that any company repudiates with the arrangements of Segment 135, it is required to pay a fine which ranges from Rs. 50,000 to Rs. 25, 00,000. Moreover, as per the arrangements officers might be obligated for detainment of up to 3 a long time.

HUL:-

Hindustan Unilever Limited (HUL) is one of the biggest conglomerate Indian consumer goods company headquartered in Mumbai, India. It's a subsidiary of Unilever, which is an English company. It is engaged in the production of foods, beverages, cleaning agents, personal care products, water purifiers and other fast moving consumer goods. It was founded in 1931 as Hindustan Vanaspati Manufacturing Company, and after the merger of its constituent groups in 1956 it became HUL Lever Limited. The company was retitled in June 2007 as Hindustan Unilever Limited.

HUL aims to grow its business responsibly while reducing environmental impact and increasing positive social impact. Over the past five years, the company spent over 500 crores on CSR activities, exceeding the mandated amount. HUL uses its CSR funds to address issues affecting India's development, such as water conservation and health and hygiene issues. The company has accomplished notable successes in these areas.

List of activities under CSR initiatives on different projects by HUL

Name of the Activity/Initiative	Aim of the Initiative	Location
Water conservation project	To change in farming practices, effective water consumption and supply side intervention through improved infrastructure	Pan India
Swachh Aadat, Swachh Bharat(SASB)	To boost good health and hygiene practices	Pan India
Project Prabhat	To create sustainable and inclusive communities	Pan India
Asha Daan	To provide home for abandoned and children with diverse abilities	Mumbai
Ankur	To provide free educational, vocational and rehabilitative training to disabled children	Assam
Sanjeevani	To provide a free mobile medical service retreat to the local community	Assam
Project Shakti	To financially empower and provide employment opportunities to women	Pan India
Swasthya Basti	TO encourage people to embrace hygiene habits	Mumbai

FAL Foundation	To provide education to underprivileged female students	Pan India
Swasthya Curriculum	To teach children of class 1-5 the value of adopting clean habits	Bihar, Gujarat, Maharashtra, Uttarakhand, Haryana, Uttar Pradesh
Technology Business Incubator Program	To contribute towards the Technology Business Incubator Program	Pan India

Source: Compiled from Different Sources

Water conservation Project:-

HUF runs the "Water for Public Good" program, aims to give local community organizations the authority to manage water resources and improve farm-based employment by implementing wise water management techniques. Since 2010, HUF has collaborated with 23 NGO partners to support grassroots interventions in 53 districts, encompassing over 4,300 villages in India.

SASB Programme:-

The 'Swachh Aadat, Swachh Bharat' (SASB) programme, aligned with India's Clean India Mission, encourage good health and cleanliness practices. In 2019, the program emphasized the significance of three clean habits: washing hands five times a day, using a toilet for defecation, and utilizing safe drinking water. The company spent Rs. 41.34 Cr on this project during 2019-20.

Project Prabhat:-

The HUL has initiated the Project Prabhat Unilever Sustainable Living Plan (USLP) linked programme, focusing on rural development in 26 locations across India. The program aims to enhance livelihoods, water conservation, and wellness awareness at the grassroots level.

Asha Daan Program:-

Since 1976, Asha Daan has served as a home for disabled children, HIV-positive patients, and destitute individuals in Mumbai. With 350-400 inmates at any time, the redevelopment project is currently underway, expected to be completed within 18 months. It is responsible for maintaining the premises.

Ankur Project:-

In 1993, the company established the Ankur Project, a special education center located in Doom Dooma, Assam, for children with disabilities. Ankur has trained 359 physically challenged children in the state for both education and employment.

Project Shakti:-

The company, under its "Shakti" project, is aiming to financially empower and provide employment prospects to women in countryside by offering distribution management training, selling skills development, self-confidence enhancement, self-esteem enhancement, and communication skills training.

Swasthya Basti:-

This program is being implemented in Mumbai's populous and low-income communities, using Unilever's five levers of behaviour change principles. The program, which reached over 5.3 lakh people, aims to encourage good health and disinfection habits.

Sanjeevani:-

The HUL project aims to advance and preventive healthcare by providing mobile medical services with doctor and nurse helpers in each ambulance. The project aims to provide healthcare facilities to remote locations where medical facilities are not available, with HUL spending some of its financial resources on CSR activities.

Swasthya Curriculum:-

The Swasthya Curriculum, developed by the Company, aligns with the Government's Poshan Abhiyaan and Swachh Bharat Abhiyaan missions. It teaches children in classes 1-5 about four key habits: washing hands with soap, eating nutritious meals, drinking safe water, and using clean toilets. The curriculum has been implemented in government schools across India.

Fair and Lovely (FAL) Foundation:-

The project promotes education, focusing on special education for female children and skill-based education for poor individuals. It also supports girl's education, particularly for financially weaker sections, with HUL offering scholarships for bright girls. The selection process is fair and honest, with a panel of candidates.

CSR Financial Details of last five years:-

YEAR	2018-19	2019-20	2020-21	2021-22	2022-23
Actual CSR Amount spent(Rs. in Cr.)	126.45	143.74	165	185.73	208.32
Prescribed CSR Amount(Rs. in Cr.)	124.19	142.20	161.70	184.43	205.26

Source: company's CSR Report

Findings:-

HUL is mandatory to spend at least 2% of its net profits from the three preceding financial years towards CSR activities, in accordance with the Companies Act. It can be observed in the table during 2018-19 to 2022-23, the company exceeded the prescribed amount on CSR activities. The most favored CSR initiatives included women empowerment, health, hygiene, nutrition, and water conservation projects.

HUL is committed to the growth of socially conscious company, aiming to lessening its negative effects on environment and increasing its good social impact. Over the past five years, HUL has spent over 500 crores on CSR activities, exceeding the mandated amount. The company uses its CSR funds to address issues affecting India's development, such as water conservation and health, nutrition and hygiene issues at the base level. HUL has achieved significant successes in these areas.

- It is found that HUL is undertaking 11 CSR activities all over India.
- The HUL has mainly concentrated on CSR activities related to education, women empowerment, self swachh Bharat and water conservation.

CONCLUSION:-

This study concludes that HUL's CSR initiatives play a crucial role in addressing societal challenges and positively influencing its corporate image. The effectiveness of these initiatives underscores the importance of integrating socially responsible practices into corporate strategies. The findings provide valuable insight into both academia and businesses, emphasizing the multifaceted benefits of robust CSR initiatives in fostering a sustainable and socially conscious business environment.

Today the meaning of CSR has undergone comprehensive change. It has incorporated social as well environmental concerns into the missions and choices of all organizations. According to analysis, we come to know that across the world, companies have acknowledged the concept of CSR as a building block of victory and survival and to achieve societal goals.

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