

A COMPARATIVE STUDY OF CSR INITIATIVES OF HUL AND ITC IN INDIA

Ankita Sharma

Masters of Business Administration, A.P.J. Abdul Kalam Technical University.

Abstract:

Corporate Social Responsibility has become increasingly popular over the last few years. Business firms have now begin to realise that they must contribute some part of their income for the development of society. Society has played a major role in the upliftment of these business firms and it is their duty to serve the society back. The present study analyses the various CSR projects undertaken by Hindustan Unilever Ltd. (HUL) and ITC Ltd.

Introduction:

Corporate Social Responsibility is not the new concept in India. It was also present during the eras of Kautilyas, where they emphasized on following proper ethics while conducting businesses. Farmers also made sure that their income was equally distributed between the villagers, so that they could get their share of food and clothing. Even Mahatma Gandhi said: *“Supposing I have come by a fair amount of wealth—either by way of legacy or by means of trade and industry—I must know that all that wealth does not belong to me; what belongs to me is the right to an honourable livelihood, no better than that enjoyed by millions of others. The rest of my wealth belongs to the community and must be used for the welfare of the community.”*¹

The National Corporate Social Responsibility Data Portal is an initiative by Ministry of Corporate Affairs, Government of India to establish a platform to disseminate Corporate Social Responsibility related data and information filed by the companies registered with it². The Corporate Social Responsibility concept in India is governed by Section 135 of the Companies Act, 2013 and Rules made thereunder wherein the criteria has been provided for assessing the CSR eligibility of a company, Implementation and Reporting of their CSR Policies².

India is the first country which introduced the concept of CSR in corporate companies. Corporate companies are governed by Ministry of Corporate Affairs (MCA) under the companies act of 195, 2013³. CSR mainly looks after the actions which companies take from the money which they get as profit. Companies are very well aware that they must follow CSR in order to sustain and develop their countries.

Review of Literature:

A study conducted by Sharma Seema G (2009) published a paper titled “Corporate Social Responsibility in India: An overview”. She concluded that CSR in India has a bright future. It will continue

to grow even further provided India understands its importance that CSR is very much needed for the economic growth of the country.

Shyam Reena in her paper titled "An analysis of Corporate Social Responsibility in India" has tried to analyse the recent developments of CSR in India. She concluded that CSR brought a significant change in the society and has also improved the quality of life. She has also suggested the following initiatives for making CSR effective:

- Common people should be made aware about CSR.
- Stakeholders who are involved in CSR initiatives should try to build long lasting and sustainable perspectives in existing and future CSR strategies.
- Collaborations should be done with various NGOs for implementing various CSR activities.
- Good funds should be allocated for implementation of new CSR activities.

Vishwakarma Vijay (2019) conducted a literature review on the topic "Corporate Social Responsibility" and has tried to understand how CSR can improve the economic status of society. He also emphasizes that stakeholders should be actively involved for the betterment of the society. It is not possible for any one alone to bring change in the society. Aggregate efforts by all stakeholders can make our economy stronger.

Lakra Sunit, K. R. Mahesh Kumar (2017) published a paper titled "A Study on Corporate Social Responsibility at Power grid". Data was collected from various websites, newspapers annual and CSR reports. The study concluded that Power grid was actively serving corporate responsibility in the field of health, education, women empowerment and environmental protection.

Harbajan Bansal, Vinu Parida and Pankaj Kumar (2012) in their paper entitled "Emerging trends of CSR in India" studied the data of 30 companies of 11 sectors. The companies were listed under the Bombay Stock exchange. Their annual reports were studied and the study concluded that in addition to earning profit, companies have also started being social friendly. Companies have started understanding the importance of social responsibility.

Shah, Bhaskar (2010) studied the CSR activity of Bharat Petroleum Limited. The researchers studied that company is in direct relation to the society. Company has taken natural resources such as oil and minerals from the society. In return, it continues to serve the society and its people for their betterment.

Beam, Dr. Sarbpriya et.al. (2012) in their research paper on "A Close Look into Corporate Social Responsibility in India" has focused on the theme of CSR developed amid most recent couple of years from simple philanthropic activities to integrating the interest of the business with that of the communities in

which it operates. In this paper, they have tried to feature objective evaluation of the CSR and related business practices with ethics that are being adopted by large corporate houses in India.

Dr. Ashutosh Verma and C.V.R.S Vijaya Kumar (2014) published a study about the analysis of CSR expenditure by Indian companies. In this study it shows whether the insertion of companies act 2013 towards the CSR spent is followed by Indian companies or not. The variables that are identified from the study are social and community services, environment and pollution control expenses, staff welfare expenses. During the period from 2001 to 2012 none of the companies spent 2 percent of the profit towards CSR activities and moreover, the expenditure on pollution and environmental control measures has been undertaken only by one company during the entire period of the study.

Research methodology:

This study analyses the various CSR projects undertaken by Hindustan unilever Ltd. And ITC Ltd.

Hindustan Unilever limited: Hindustan Unilever Limited is the largest consumer goods company in India. It's goods category includes cosmetics, tea and coffee, oral hygiene, fabric solutions, desserts, foods, deodorant, skin care and many more. It has been famous for its brands such as Sunsilk, Brook bond, Glow and Lovely, Vaseline, Pond's, Closeup, Kissan, Horlicks, etc.

Following are the major projects undertaken by Hindustan Unilever Ltd:

Project Prabhat: Project Prabhat is responsible for creating sustainable communities through Economic empowerment, Environmental sustainability, Health and Education.

- A. Economic empowerment: Prabhat has associated with various NGOs such as American India Foundation, Arundip Foundation, Labour net, Yusuf Meherally Centre, Institute of Livelihood Research and training and Moo Farms for the self empowerment of youth and women. Various skill development trainings are provided in the fields of tailoring, web and graphic designing, laptop repairing, hair cutting, beauty training, etc. Till now, more than 72,000 people have learned different skills under this programme. Prabhat also launched one of its livelihood centres in Kolkata. Here, disabled persons receive certification in Graphic designing, Web designing, Tally and Ecommerce.
- B. Environmental sustainability: Prabhat's contributions for water, waste and afforestation are undeniable.
 - i. Water conservation: Prabhat has benefitted more than 21,000 farmers through 'Paani panchayats' programme. Around fifty six litres of water has been conserved so far.
 - ii. Waste management: Prabhat, in association with Swayambhu, has launched a biogas plant in Haridwar. This biogas plant uses 200 kgs of waste per day to power twenty streetlights, saving 2.4 KW energy per day.

- iii. Climate action: Prabhat organized afforestation drives in Sumerpur, U.P and Chhindwara M.P, in association with Parmarth Samaj Sevi Sansthan. Another plantation drive was carried out in association with Municipal corporation and Industrial Associations of Rajpura, Punjab.
- C. Health: Project prabhat launched the School Contact Programme on nutrition in 2019. As a part of this project, HUL employees explained the importance of healthy living and healthy eating to school children. They also extended their help to rural people, explaining them the importance of hygiene and sanitation. This project also aligns with National Nutrition Mission, through it's 'Poshan Saathis Programme' focusing on the health of women, especially pregnant and lactating women. During Covid19 their help has been beneficiary for more than 1.3 million people across India. During the pandemic, they distributed relief kits, including lifebuoy soaps, grocery kits and food packets across 230 different locations in India. They have five telemedicine centres running across the country.

Project Shakti: Project Shakti aims to teach skills in rural women so that they can manage their business independently and also become financially independent.

Covid 19 relief: HUL has dropped the prices of lifebuoy soap and hand sanitisers during the pandemic to generate awareness about hygiene and sanitization. Soaps and sanitisers were also distributed in hospitals and police stations free of cost in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Lucknow and Indore.

Asha daan: Asha daan, a home for orphans, HIV positive patients and abandoned children has been set up by HUL in Mumbai.

ITC Ltd.: ITC was established in 1910 and manufactures goods for personal care, cigarettes, stationery, hotels, paperboards, incense sticks, safety matches, education and many more. ITC is famous for its brands such as Ashirwaad, Bingo, Yippee, Sunfeast, B Natural, Sunbean, Candyman, Savlon, Charmis, Fiana, Dermafique, Classmate, Shower to shower and many more.

ITC delivers the following sustainable policies:

1. Health and Sanitation: Prevention of Open defecation is one of the main health objectives of ITC. More than 35,91 individual household toilets have been constructed by ITC so far. It also set up Reverse Osmosis plants in vilaaages, where quality of water was below average. Thus, they have provided safe and potable drinking water to village people. ITC has also educated village women and adolescent girls about sanitation, menstrual hygiene and family planning through Village Health Champions. A programme called 'Swasth India mission' has been implemented by ITC for encouraging healthy hygiene habits.
2. Education: The Primary Education Programme has been started by ITC, which helped in installing boundary walls, toilets, furnitures and additional classrooms in schools.

3. Women's Economic Empowerment: ITC along with government's Support to Training and Employment Programme, has empowered women in 8 districts of Bihar, West Bengal, Assam, Telangana, Rajasthan and Madhya Pradesh. Rural women have been empowered in knowledge and technology through ITC's mission Sunehra kal. Women run Agribusiness centers of seed production, nursery raising have been established. Women have also been taught to operate agri equipment and also to handle finances. Successful operation of Agro business centres has accessed women to proper healthcare, nutrition, finances and their ward's education.
4. Transforming Muzaffarpur into a zero landfill city: ITC along with Centre for Science Environment and Muzaffarpur Municipal council managed to transform Muzaffarpur into a zero landfill city. It became the first city in Bihar to have its own solid waste management bylaws. After that, Muzaffarpur is now one of the smartest cities in Bihar.
5. ITC's eChoupal: ITC's eChoupal increases the crop's productivity by providing information to farmers regarding scientific farm practices, market prices, weather forecasts and risk management. This information is provide to farmers by internet kiosks called "sanchalaks". e choupal is the largest intervention in rural areas, which is operated through internet. Ashirwaad, one of the premium brand s of ITC, has become instrumental due to e choupal. E choupal helped in increasing crop produce and creating flour mixtures. Large watershed projects were installed by e choupal ecosystem thus raising farmer's income.
6. Vocational training: ITC in association with Welcomegroup Graduate School of Hotel Administration has trained a large number of youths to become chefs. ITC's other skill courses are in computers, electricals, hospitality and bedside assistance.
7. Sangeet Research Academy: The ITC's Sangeet Research Academy is preserving Hindustani classical music with the help of it's Gurus Pt. Partha Chatterjee, Padma Shri Pt. Ulhas Kashalkar, Padma Shri Pt. Ajoy Chakrabarty, Pt. Uday Bhawalkar, Shri Omkar Dadarkar and Vidushi Subhra Guha. The Academy continues to gift masters of Hindustani Classical Music.
8. Soil and moisture conservation: ITC strives to make agricultural areas drought free. Water harvesting structures are being made so that water is not wasted and stored for agricultural lands. 43 districts of 15 states have been covered under this programme.
9. Biodiversity: ITC aims to revive biodiversity by playing host to birds and insects. This is done by retention of soil moisture and carbon sequenstration. Native trees have been planted on fields near Ganga and along Ahar and Pyne banks so that damage caused by floods can be minimized.

Conclusion:

From the above research it can be concluded that both HUL and ITC should be given a great applause because they both are doing a great job in serving the country. They are doing their best in serving the society with immense efforts. They have launched very good schemes which are very much beneficial for the society. Their works are really commendable and many more such big companies should come

forward in helping the people of our nation. Moreover, Government should provide more funds to HUL and ITC so that they can introduce more such schemes for the betterment of nation.

References:

- <https://thecsrjournal.in/what-is-csr-corporate-social-responsibility/>
- <https://csr.gov.in/about-us.php>
- <https://pscnotes.in/corporate-social-responsibility-in-india/>
- <https://thecsrjournal.in/itc-csr-report-india/>
- www.itcpotal.com
- www.hul.co.in
- <https://thecsrjournal.in/hindustan-unilever-csr-sustainable-communities-india/>
- <https://csrce.org/about-csr-in-india-public-policy/>
- https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3924089
- https://ijariie.com/AdminUploadPdf/Corporate_Social_Responsibility__A_Comparative_Study_of_CSR_Initiatives_of_HUL_and_ITC_Ltd__in_India_ijariie15304.pdf
- https://www.researchgate.net/publication/333906899_A_Comparative_Study_of_Corporate_Social_Responsibility_Practices_in_India

Keywords: Corporate Social Responsibility, CSIR initiatives, CSIR challenges, philanthropist, stakeholder, environmental contribution, rural development.