

# Corporate Social Responsibility in Selected FMCG Companies in India: A Content Analysis

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## ABSTRACT

CSR is a very broader concept that addresses the various topic related to health care, sanitation and safety, environmental effects, contribution to economic development, relief efforts etc. The main purpose of the study is to analyze the CSR activities carried out by the selected FMCG companies in India. The official websites of the selected FMCG companies were analyzed for this study. The most preferred CSR activities were observed to be health hygiene and nutrition, environment sustainability, water and sanitation projects and women empowerment etc.

**Keywords:** corporation, society, csr, fmcg companies, welfare

## I. INTRODUCTION

Corporate and society both are the terms of great importance for the development of economy and the country. The development of corporate is dependent on the social support which is provided in the form of human resources, intellectual power and infrastructural facilities. The presentation of social effects or corporate economic activities is known as corporate social reporting. The term corporate social reporting has been defined in various ways by the various experts, authors and organisation. "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis. 'European Commission' and the commitment of business to contribute to sustainable economic development, working with employees, their families, their local community and society at large to improve their quality of life" (World Business Council on Sustainable Development). CSR under section 135 act "CSR is the process by which an organisation thinks about and evolves its relationship with stakeholders for the common good and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies" (Companies Act, 2013). The CSR is generally understood as being the way through which a company achieves a balance of economic environmental and social imperatives ("Triple Bottom Line Approach") while at the same time addressing the expectations of shareholders and stakeholders (United Nations Industrial Development Organization).

## II. LITERATURE REVIEW

**Elibirt and Parkert (1975)** in their study they found that social responsibility efforts depends on the company size and most of the firms relate to contribution to education and arts.

**Singh and Ahuja (1983)** in their study they found that the 30 percent of CSR is made by 40 percent of companies.

**Porwal and Sharma (1991)** found that public and larger companies are much disclosures in comparison with private and smaller companies.

**Chander (1992)** concluded a study of corporate social disclosure practices of the public and private sector companies in India and in their study they found that the public sector companies was significantly better in comparison to private sector companies in both item wise and quality wise.

**Caroll (1998)** in their study on top 500 largest Indian companies found that around 49 percent companies were reporting on CSR. The study also founds that the most of the companies report on donations mid-day meals and rejuvenation of schools in villages.

**Raghu Raman (2006)** In their study among the selected 50 companies to conclude that Indian companies are most emphasis on 'product and service' and development of 'human resources'.

**Gautam & Singh (2010)** in their study on top 500 Indian companies found that 229 did not report on CSR activities and 49 percent of the remaining 271 companies were reporting on CSR. In their Study they conclude that many companies are taking token gestures towards CSR and only a few companies have a structured and planned approach towards the CSR.

**Mukherjee (2019)** used power corporation ltd. for their study as examples to highlight the CSR practices of central public sector organisation and in their study they conclude that both corporation were given the highest amount as CSR for building large dams in north-eastern India and that these projects hadan operational influence on both society as well as the environment.

### III. RESEARCH GAP

From the above literature review it was found that no study has been conducted from the period 2017-18 to 2021-22 in context of the objective stated in the study. So the present scenario of CSR activities of selected FMCG companies i.e. HUL, ITC & Nestle was not depicted by the above researchers.

### IV. OBJECTIVES OF THE STUDY

The objectives of the study are as follows -

- To study the CSR practices on society and the environment.
- To Study the purposes and types of corporate social responsibility (CSR) activities carried out by the selected FMCG companies in India.

### V. 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 three FMCG companies in India.

In this study three FMCG companies have been selected as sample company for the five different years for the period starting from 2017-18 to 2011-22 have been used used for the analysis of the social responsibility practice of the FMCG companies. The technique of content analysis has been used to measure the percentage of content disclosed by FMCG companies for the reporting of social responsibility practices. The study is based on the data collected from the Annual Reports of selected FMCG companies HUL, ITC & Nestle on the basis of availability of data. After that the trends analysis been applied to see the trend of CSR in the annual report in different years. The present study is purely based on secondary data.

### VI. ANALYSIS AND DISCUSSION

Following are the tops three FMCG companies in India with a well established brand name, it is explained that how they have been performing good in CSR activities.

#### **Hindustan Unilever Ltd. (HUL)**

HUL is India's largest FMCG companies with a heritage of more than 80 years in India. There are 35 brands spanning 20 distinct categories such as soaps, detergents, shampoo, cosmetics, tea, coffee and many things that they are a part-of everyday life of millions of people across India. HUL are a subsidiary of Unilever one of the world's leading suppliers of FMCG. HUF Board to create by the HUL as its vehicle for social investment .HUL has implemented several CSR programmes which have been discussed below:

**Project Ankur:** Project Ankur was set up in 1993 by the company as a centre for special education for children with disabilities at Doom Doom in Assam. Till now, Project Ankur has provided educational and vocational training to 359 children with disabilities.

**Project Sanjeevani** - Project Sanjeevani runs a free mobile medical service camp near its Doom Dooma Factory in Assam. The aim is to provide free mobile medical facility in the interior village of Assam.

Project Sanjeevani has been introduced in 2003. Since its inception more than 357828 patients have been treated in these service camps:

- **Project Prabhat:** Project Prabhat was established to fulfill the India's development agenda and UN sustainable development goals. Project Prabhat provides help to more than 1.3 million people across the country during Covid-19, benefited from relief kits distribution in 2020, which included Lifebuoy soaps, grocery kits and food packets etc.
- **Project Shakti:** Project Shakti, which aims to empower rural women and create livelihood opportunities for them. Through this project, the company endeavors to enhance livelihoods of rural women. Project Shakti has nearly 1,36,000 shakti entrepreneurs whom they call 'Shakti Amma'.
- **Project Asha Daan:** Project Asha Daan is a home in Mumbai for abandoned and differently abled children, HIV-positive patients and destitute people. HUL takes care of over 400 infants and destitute men and women and HIV positive patients at Asha Daan. Project Asha Daan has been set up on a 72,500 sq. feet plot belonging to HUL in the Mumbai City.
- **Project Swachh Aaadat Swachh Bharat:** The SASB programme is in line with the Govt of India's Swachh Bharat Abhiyan to promote good health and hygiene practices. In year 2020, the Programme SASB to promote good health and hygiene practices by adopt three clean habits - (i) washing hand five times a day, (ii) using a toilet for defecation and (iii) adopting safe drinking water practices.
- **Water Conservation Programme:** Hindustan Unilever Foundation supports national priorities for socio-economic development through its "water for public good" programme. This project specific focus on empowering local community institutions to govern water resource. Till 2020, HUL's partnership and collective action would make available a cumulative water potential of 500 billion litres across India.

**Table 1: CSR Financial Details ( INR Cr)**

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Actual CSR	116	126.45	143.74	165	185.73
Prescribed CSR	112.2	124.19	142.20	161.7	184.43

Source: Company Report

**Table 2:** Hindustan Unilever Key CSR Spends (Inr Cr.)

S.N	Project Name	Location	2017-18		2018-19		2019-20		2020-21		2021-22	
			Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
1.	Sanjeevani	Assam	0.75	0.646	0.68	0.537	0.66	0.459	0.61	0.369	0.51	0.27
2.	Prabhat	Pan India	5.44	4.689	6.00	4.744	7.07	4.918	5.93	3.593	16.21	8.728
3.	Asha Daan	Mumbai	1.70	1.465	14.75	11.664	7.20	5.009	0.70	0.424	0.70	0.37
4.	Water Conservation Project	Pan India	30.02	25.789	5.70	4.507	26.20	18.227	15.72	9.527	21.07	11.34
5.	SASB	Pan India	30.48	26.275	47.81	37.809	41.34	28.760	4.52	2.739	5.35	2.88
6.	Shakti	Pan India	41.77	36.008	43.35	34.282	53.40	37.150	57.29	34.72	71.20	38.33

Source: Company Report

#### Findings

Since the legal provisions of CSR under companies Act are applicable in HUL, it has to spend at least 2 percent of the average net profits of the company during three immediately preceding Financial year against CSR activity. It can be observed in the table No. 1 during 2017-18 to 2021-22, the company has spent more than the amount prescribed on CSR activities. The trend of CSR activities of HUL, we can see that the most preferred CSR activities were observed to be women empowerment, health, hygiene and nutrition, and water conservation project.

## ITC

ITC is one of India's foremost private sector companies with a heritage of more than 100 years ago. ITC was established in 1910. It is headquartered in Kolkata, India and employees over 30,000 people at more than 60 locations in India. The company's product portfolio includes Cigarettes and Leaf tobacco, foods, personal care, stationery good, safety matches, incense sticks, agri commodities and many more. ITC has implemented several CSR programmes, in which some programmes are discussed below:

- **Relief Efforts:** The focus of the company is providing relief to the poor, help to people struck by the covid 19 pandemic and also providing assistance to District Authorities and other government bodies whose eco system reaches out to the weakest sections of the society.
- **Environment Sustainability Development:** The Company Contributed to the CSR by contributing towards environment sustainability development. The programme aims to ensure water security, ecological balance, protection of flora and fauna, animal welfare and agro forestry.
- **Women Empowerment Programme:** Women empowerment programme which aims to empower rural women supported with capacity building and financial assistance by providing loans and grants. This programme aims to ensure promoting gender equality and empowering women.
- **Primary Education Programme:** The company contributed to the CSR by contributing towards education promotion. The company has provided children from weaker section access to education with focus on enrolment retention and attention.
- **Preventive health care, Water and Sanitation:** The programme aims to ensure a hygienic environment, improving public health and hygiene. To provide safe drinking water to rural people the company setup the water purification plants in the villages. The agency's goal is to provide the basic needs like clothing and food to needy and poor people as a part of reduce the poverty alleviation.
- **ITC-Sangeet Research Academy** - The objective of the company to revival and restoration of vanishing musical sub genres. The company aims to ensure to create the next generation of masters of Hindustani Classical music for the continued propagation of a precious legacy.
- **Vocational Training Programme** - The main objective of the company upgrading the skills, provides training in market, linked skills to unskilled and under privileged youths of the region to enable them to compete in the job market.

**Table 3: CSR Financial Details (Inr Cr.)**

Year	2017-18	2018-19	2019-20	2020-2021	2021-2022
Actual CSR	290.98	306.95	326.49	365.43	355.03
Prescribed CSR	290.47	306.55	326.17	352.84	354.27

Source: Company Report

**Table 4: ITC Key CSR Spends (Inr Cr.)**

S.N	Project Name	2017-18		2018-19		2019-20		2020-21		2021-22	
		Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
1.	Environmental Sustainability Development	68.52	23.548	58.06	18.915	46.30	14.181	90.81	24.850	76.10	21.434
2.	Women Empowerment Programme	14.76	5.072	12.02	3.915	16.72	5.121	3.41	0.933	7.83	2.205
3.	Primary Education Programme	20.44	7.024	22.78	7.421	22.25	6.814	18.49	5.059	24.41	6.875
4.	Preventive Health Care Water and Sanitation	97.73	33.586	123.16	40.123	157.62	48.277	46.50	12.724	53.57	15.088
5.	ITC Sangeet Research Academy	2.43	0.835	3.78	1.231	3.33	1.019	3.81	1.042	2.30	0.647
6.	Vocational Training Programme	14.88	5.113	15.56	5.069	16.91	5.179	9.90	2.709	16.66	4.692
7.	Relief Efforts	-	-	-	-	33.14	10.150	54.32	14.864	93.21	26.254

**Findings**

Since the legal provisions of CSR under companies Act are applicable in ITC, it has to spend at least 2 percent of the average net profits of the company during three immediately preceding Financial year against CSR activities. In the above study we can find that the ITC ltd. company has spent during 2017-18 to 2021-22, more than the prescribed on CSR activities. (Table No. 3). From the above trend we can see that focused of the company for CSR activity were observed to be environment sustainability, preventive health care water and sanitation, relief efforts followed by the primary education programme.

**Nestle Company**

Nestle Company was incorporated in 1866 when Henri Nestle Develops a break through baby food and in 1905 his company merges with Anglo Swiss and came to be known as the Nestle group. Nestle Company is a manufacturer and marketer of food products and beverages. The company product's portfolio includes nutritional products, baby food, dairy products, Chocolates and confectionery, coffee, ice cream and many more. In India Nestle set up its factory in 1961 at Moga, Punjab. The mission of The company is “Good Food, Good Life” The Nestle company has implemented several CSR programmes in which some programmes are discussed below;

**Employee Volunteering Programme:** The company launched employee volunteering programme in 2014 to maximize employee engagement and extend the Nestle culture of caring in EVP employee volunteers interact with children from select underprivileged communities. Till 2019 around 2000 employees across more than 27 location (Head offices branches and factories) have participated in this initiative.

• **Nestle Healthy Kids Programme:**

The programme was launched in 2009 to promote nutrition, healthy and well being among adolescents. In India Comparison to any other world makes adolescent health particularly important to meet the SDGS-a set of universal goals to end poverty hunger and achieve equality.

• **Project Jagriti:**

The Programme was implemented in the year 2014, specifically focussed on 4 groups consisting of adolescents, pregnant women, lactating mothers and married couples. The outreach workers primarily act as the facilitators for the groups guiding from the backdrops to encourage peer to peer learning.

• **Clean drinking water projects and water awareness programme:**

The company aims to ensure the clean drinking water facilities in schools around all its factories. To fulfill the objective of clean drinking water facilities, the company also conducts periodic check of water quality of all of it's tanks which was constructing in schools around all it's factories in 1999. The impact of this project across 7 states & 12 public Health Centres. The company also conducts water awareness programme to ensure hygeinic and sustainable water use, reaching out to over 1,12,700 Students.

• **Sanitation Projects:**

The company main aims to ensure everyone enabling healthier lives. |Sanitation is the basic element of life and enabler of healthy living. Swachh Bharat Abhiyan (Clean India mission) is the flagship programme of the Govt. of India is the best example of sanitation.

• **Project Serve Safe food:**

In 2016, the company launched the project. In this project the street vendors learn about simple aspects of hygeine such as hand washing, usage of disposable gloves, etc, with these hygeine practices help the improvement of food quality and prevents the spread of food borne diseases.

**Table 5: CSR financial details ( Inr Cr.)**

	2017-18	2018-19	2019-20	2020-21	2021-22
Actual CSR	26.91	27.17	38.31	46.42	53.4
Prescribed CSR	26.88	27.34	38.07	46.3	52.75

**Source:** Company Report

**Table 6:** Nestle India - Key CSR Spends (Inr Cr.)

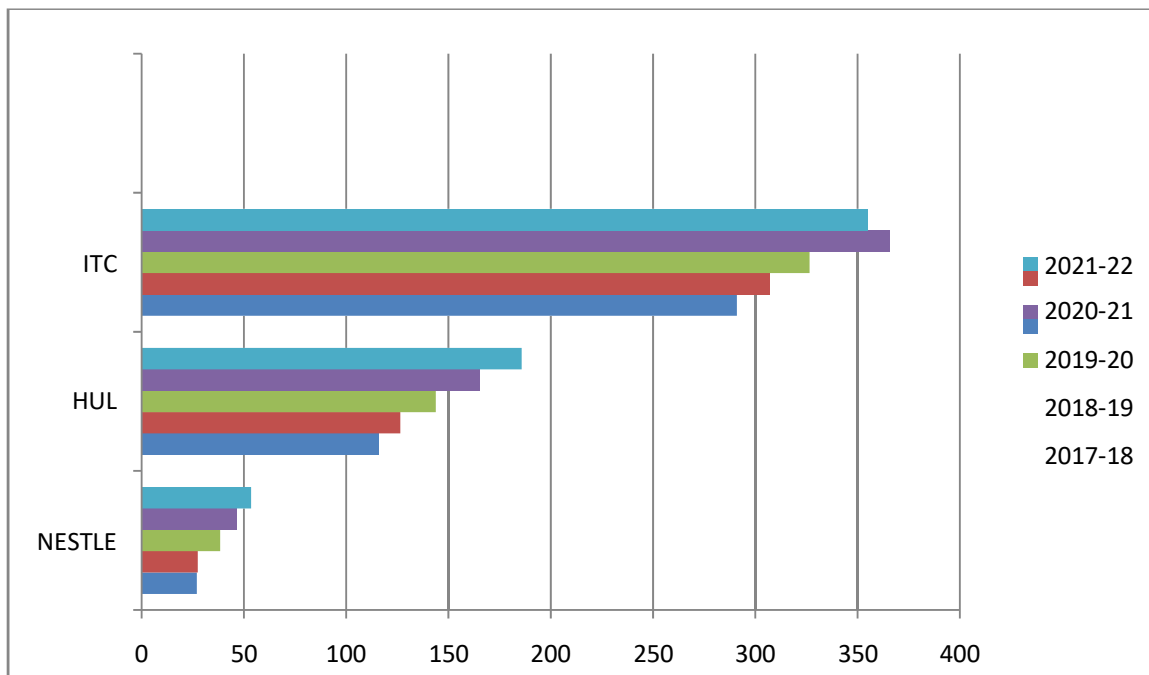
S.N	Project Name	2017-18		2018-19		2019-20		2020-21		2021-22	
		Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
1.	Nestle Healthy Kids Programme	11.51	42.77	11.07	40.44	16.94	44.21	16.91	36.42	10.65	19.94
2.	Project Jagriti	5.7	21.18	5.89	21.51	9.58	25	7.14	15.38	5.51	10.31
3.	Clean Drinking Water Projects and Water Awareness Programme	3.86	14.34	2.59	9.46	3.38	8.82	2.74	5.90	2.73	5.11
4.	Sanitation Projects	2.24	8.32	4.79	17.50	3.16	8.24	0.12	0.25	3.87	7.24
5.	Project Serve Safe Food	0.36	1.33	0.99	3.61	0.75	1.95	0.21	0.45	0.71	1.32
6.	Relief Efforts	-	-	0.25	0.91	0.66	1.72	17.67	38.06	20.87	39.08

**Findings**

Since the legal provisions of CSR under companies Act are applicable in Nestle India Ltd, it has to spend at least 2percent of the average net profits of the company during three immediately preceding financial year against CSR activities. It can be observed in table no.5 during 2017-18 to2021-22 the company has spent more than the amount prescribed on CSR activities. During Covid 19 company has spent approx. 40 percent amount on relief efforts. From the above table, the most preferred CSR activities were observed to be nutrition health & well being project jagriti and clean drinking water projects etc.



**Chart 1:** Comparative CSR activities trends of three FMCG companies



Source: Table No.1, 3&5

In above, we can see that during 2017-18 to 2021-22, Nestle has reported lesser content in the annual report compared to HUL and ITC. The trend of content reporting of HUL and Nestle is highly increasing during the year 2017-18 to 2021-22 and ITC has increasing up to the year 2020-21 and decreasing in the year 2021-22.

## VII. CONCLUSION

From the above finding we can say that CSR just like its name is a broader concept. Today the concept of CSR has undergone radical change. CSR has pivotal role besides govt. to work for the betterment of the society. The primary objective of the study is to evaluate the CSR practices of selected FMCG companies in India. The results shows that across the globe, business enterprises have accepted the concept of CSR and fulfill the social as well as environmental issues.

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