



**Corporate Social Responsibility  
Project – Hindustan Lever Limited (HLL)**

**Under guidance of: Dr. Meena Galliara**

**Hindustan Lever Limited***Meeting Everyday Needs of People Everywhere***Introduction\***

Hindustan Lever Limited (HLL) is India's largest fast moving consumer goods company, with leadership in Home & Personal Care Products and Foods & Beverages. HLL's brands, spread across 20 distinct consumer categories, touch the lives of two out of three Indians. They endow the company with a scale of combined volumes of about 4 million tonnes and sales of Rs.10,000 crores. HLL has 32,400 employees (40,000 including Group Companies) at present, including about 1,425 managers.

Financial status: 2003 figures (Rs. Lacs)

Gross Turnover: 11096,02

Turnover/ Sales: 10138,35

Net Profit: 1771,79

Unilever holds 51.55% of the equity in HLL. HLL is India's largest marketer of Soaps, Detergents and Home Care products. It has the country's largest Personal Products business, leading in Shampoos, Skin Care Products, Colour Cosmetics, and Deodorants. HLL is also the market leader in Tea, Processed Coffee, branded Wheat Flour, Tomato Products, Ice cream, Soups, Jams and Squashes. HLL is also one of the country's biggest exporters and has been recognized as a Golden Super Star Trading House by the Government of India; it is a net foreign exchange earner. HLL is India's largest exporter of branded fast moving consumer goods. The diverse products range is manufactured in over 100 factories located across the length and breadth of India and 28 of them in backward areas. The Khamgaon soap plant and the Sumerpur detergent bar unit have been recognized as among the best in the Unilever world.

\*(Source: [http://www.hll.com/HLL/knowus/companyprofiles/Company\\_Profile.pdf](http://www.hll.com/HLL/knowus/companyprofiles/Company_Profile.pdf))

**CSR Perspective**



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Corporate Social Responsibility (CSR) in Hindustan Lever Limited (HLL) is rooted in its Corporate Purpose - the belief that "to succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live". HLL's CSR philosophy is embedded in its commitment to all stakeholders -- consumers, employees, the environment and the society that the organisation operates in. HLL believes that it is this commitment which will deliver sustainable, profitable growth.

HLL's key CSR initiatives are undertaken with a long-term view. Initiatives that are sustainable, have long-term benefits and an ongoing business purpose linked to them are accorded priority focus. As early as in the 1950s, HLL focused on import substitution when balance of payments was an issue. Since the 1980s, most of HLL's investments have been in designated backward areas and zero-industry districts, spreading industrialisation. HLL has revived sick industries and has developed local entrepreneurship

### **Implementation**

An illustration of how HLL implements its CSR activities is Project Asha Daan.

HLL supports Asha Daan run in Mumbai by the Missionaries of Charity (an NGO founded by the late Mother Teresa). Asha Daan is a home for abandoned, handicapped children, the destitute and people affected by AIDS (HIV positive). Asha Daan had been set up on a 72,500 square feet plot, in the heart of the city leased by the company. HLL also bears the capital and revenue expenses for maintenance, upkeep and security of the premises.

### **Monitoring**

Unilever's Summary Social Review 2003 gives an update on the progress Unilever is making to listen and learn from consumers and other stakeholders as they strive to be both successful business and responsible corporate citizens. This review complements the environmental report 2003 and the annual review 2003.



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The review acts as a signpost to further information and case studies across the Unilever website. This undergoes regular updation. It focuses on creating value, sharing wealth, ensuring consumer safety, employee health, engaging with communities, food and other local benefits.

### **Future Plans**

Mentioned below are the projects that HLL is currently active in and intends to pursue actively in the future.

#### **PROJECT SHAKTI - *Changing Lives in Rural India:***

HLL's vision for Project Shakti is to scale it up across the country, covering 100,000 villages and touching the lives of 100 million rural consumers by 2005.

#### **LIFEBUOY SWASTHYA CHETANA -- *Health & Hygiene Education***

Started in 2002, the programme has as of now covered about 15000 villages in 8 states -- Uttar Pradesh, Bihar, Jharkhand, West Bengal, Orissa, Madhya Pradesh, Chattisgarh and Maharashtra; it has already touched about 70 million people, imparting hygiene education to over 25 million children. The vision of this on-going project is to make a billion Indians feel safe and secure by focussing on their health and hygiene needs.

#### **FAIR & LOVELY FOUNDATION -- *Economic Empowerment of Women***

Launched in 2003, Fair & Lovely Foundation seeks to impact the lives of about 5000 women by 2005. This will be done through scholarships and enterprise initiatives. For career guidance, it seeks to touch millions of aspiring women and students in an ongoing programme, currently covering three states and all main metros in the country.

**GREENING BARRENS -- *Water Conservation and Harvesting***

HLL's vision is to continuously innovate technologies to further reduce water consumption and further increase conservation in its operations. Simultaneously, HLL sites will progressively help communities, wherever required, to develop watersheds.

**HAPPY HOMES - *Special Education & Rehabilitation***

Under the Happy Homes initiative, HLL supports special education and rehabilitation of children with challenges.

Other projects that HLL is involved in are Asha Daan, Ankur, Kappagam, Anbagam, Yashodadham, Rural Education Project at Khemgaon, Integrated Rural Development and Vindhya Valley. Detailed activities of these projects are mentioned in the report.

**Analysis findings:**

The following questions were answered by the corporate communications manager based on his opinions on various issues

**PART A**

This section primarily concerns itself with the organizations attitude towards CSR policies and practices. The three options provided were

1. Agree
2. Neutral
3. Not Agree

The respondent agreed in principle to the fact that responsible corporate behavior is always in the best interest of the shareholders. He also agreed that that when a corporation involves itself in community development and improving the quality of life, it invariably helps the organization in its long term goals of sustained profits and growth. Hence, first and foremost the quality of goods goes a long way in establishing the credibility of the company and is probably the most important criteria in customer satisfaction. This is because any company is known by the goods that it produces or the services it provides. In his opinion, any company even a small sized one, though



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this doesn't directly relate to HLL, should carry out projects especially in association with the municipal corporation as they can then be involved in real, day to day issues.

The respondent was neutral (or ambivalent) to the statement that corporates who are socially responsible take up responsibility which in the first place lies with the government as he reiterated HLL's corporate purpose. He also called for public-private partnership to improve overall standards where the government and NGO's are actively involved. On the question of accountability, since most projects were done in conjunction with the government, NGO's, physicians, educationist etc., there is always a shared responsibility to achieve a common vision. Since these projects are more or less in the public eye the corporations are normally accountable, though he said that it was not possible for him to comment on the CSR objectives of other organizations. Besides, he remained non committal on statements 13 and 14 for lack of clarity.

Mr. Ray did not agree to the following. The hypothesis that involvement in social activities takes the focus away from business was rejected by him since he believed that to succeed in business requires the highest standards of corporate behavior towards employees, customers and the societies that we live in at large. He said that there was no data to suggest that the cost of business social investment was being passed to the customers. Besides, this was impractical as in particular the FMCG market was extremely price sensitive. HLL believes that CSR should be seen as a core business activity and statement 9 was in direct contradiction to their beliefs. Environmental reviews are done consistently showing sustained development in agriculture fish and water. Necessary measures of environmental protection and pollution control are reinforced at all locations and factories besides taking up projects on energy conservation, watershed management, tree plantation and soil conservation.

## **PART B**

Opinions were sought on certain issues to which Mr. Ray was simply asked to respond in 1. Yes 2. No 3. Not sure

He was inclined to say yes to the statement that the main purpose of CSR was to provide information regarding quality of life to the general public. He added that it was only one of the purposes and not the main purpose of CSR. The statement on accountability has been previously answered. Management of HLL in line with



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recommendations from Unilever already has social & environmental reporting in place which is comprehensive in nature but efforts are being made to improve, update and to bring more areas under its review. Besides, reporting is essential in improving management's credibility to the shareholders.

It is the prerogative of the organization whether to include social reporting as part of their annual reports or to have that as a separate report. CSR reporting is part of corporate communications and only part of it rests with the top management of the company but more with the social and environmental auditors as appointed by the organization. Statement 7 has been taken care off in the previous paragraph. He also said that it was not possible for him to comment on statement 8.

### **PART C**

Opinions were sought on certain issues to which Mr. Ray was simply asked to respond in 1, Necessary 2. Not necessary 3. Not sure

HLL feels that it is necessary that social plans & programs should be framed by the company. Also, social reporting should be made in physical terms. The company also thinks that corporate reporting should be detailed & descriptive & should be disclosed in the company's Directors report, along with a separate section in the Annual report of the company. The social report should be audited by a qualified auditor wherein the accounting standard on Corporate Social Responsibility should be formulated. Finally, the company believes that it should formulate a long run plan for social works vis-à-vis short run plans.

Mr. Ray felt that it was not necessary to make social reporting in monetary terms. Regarding whether present level of corporate social reporting should be more in its details, he had a similar opinion.

On the question that disclosure on social terms should be made regulatory to meet the purpose of owners, he was not sure whether it was necessary or not.



### **CSR Projects of HLL: A critical evaluation**

Corporate Social Responsibility (CSR) in Hindustan Lever Limited (HLL) is rooted in its Corporate Purpose - the belief that "to succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live". HLL's CSR philosophy is embedded in its commitment to all stakeholders -- consumers, employees, the environment and the society that the organisation operates in. HLL believes that it is this commitment which will deliver sustainable, profitable growth.

HLL's key CSR initiatives are undertaken with a long-term view. Initiatives that are sustainable, have long-term benefits and an ongoing business purpose linked to them are accorded priority focus. As early as in the 1950s, HLL focused on import substitution when balance of payments was an issue. Since the 1980s, most of HLL's investments have been in designated backward areas and zero-industry districts, spreading industrialisation. HLL has revived sick industries and has developed local entrepreneurship

Furthering this rich tradition of contributing to the community, HLL is focusing on health & hygiene education, women empowerment, and water management. In addition to these important platforms, HLL is also involved in a number of community support activities, like providing audio-visual packages for basic education in primary schools, education and rehabilitation of special or underprivileged children, care for the destitute and HIV-positive, and rural development.

In recognition of these initiatives, HLL received the prestigious TERI-CSR Special Award for the year 2002-03 from The Energy and Resources Institute (TERI). As is well-known, TERI, which was established in 1974, is world famous for its commitment to and initiatives in every aspect of sustainable development.

Among HLL's major CSR initiatives are:



**PROJECT SHAKTI - *Changing Lives in Rural India***

Project Shakti is HLL's rural initiative, which targets small villages with population of less than 2000 people or less. It seeks to empower underprivileged rural women by providing income-generating opportunities. Project Shakti also aims to improve the standard of living of the rural community, by providing health and hygiene education.

In general, rural women in India are underprivileged and need a sustainable source of income. NGOs, governmental bodies and other institutions have been working to improve the status of rural women. Project Shakti is a pioneering effort in creating livelihoods for rural women, organised in Self-Help Groups (SHGs), and improving living standards in rural India. Project Shakti provides critically needed additional income to these women and their families, by equipping and training them to become an extended arm of the company's operation.

Started in 2001, Project Shakti has already been extended to about 20000 villages in 196 districts in 11 States - Andhra Pradesh, Karnataka, Gujarat, Madhya Pradesh, Tamil Nadu, Chattisgarh, Uttar Pradesh, Orissa, Punjab, Rajasthan and Maharashtra. The respective state governments and several NGOs are actively involved in the initiative.

Project Shakti already has about 6200 women entrepreneurs in its fold. A typical Shakti entrepreneur earns a sustainable income of about Rs.1,000 per month, which is double their average household income. Project Shakti is thus creating opportunities for rural women to live in improved conditions and with dignity, while improving the overall standard of living in their families. In addition, it involves health and hygiene programmes, which help to improve the standard of living of the rural community. The project's ambit already covers about 15 million rural population. Plans are also being drawn up to bring in partners involved in agriculture, health, insurance and education to catalyze overall rural development.

HLL's vision for Project Shakti is to scale it up across the country, covering 100,000 villages and touching the lives of 100 million rural consumers by 2005. (For more details, please visit [www.hllshakti.com](http://www.hllshakti.com))

**LIFEBUOY SWASTHYA CHETANA -- *Health & Hygiene Education***

Lifebuoy Swasthya Chetana is the single largest rural health and hygiene educational programme ever undertaken in India. Its objective is to educate people about basic hygienic habits.

It has been developed around the insight that people mistakenly believe “visible clean is safe clean”. The programme establishes the existence of “invisible germs” and the associated risk of infection. In India this is important, because diarrhoea, caused by invisible germs, is the second largest cause of death among children below the age of 5. The project will help reduce incidence of such diseases, by raising awareness of preventive hygienic practices.

The campaign has been divided into various phases. In the initial phase, a Health Development Facilitator (HDF) and an assistant initiates contact and interacts with students and influencers of the community, like village community representatives, medical practitioners, school teachers etc. A number of tools like a pictorial story in a flip chart format, a "Glo-germ demonstration", and a quiz with attractive prizes to reinforce the message are used. The "Glo-Germ demonstration" is a unique tool to make unseen germs visible and emphasize the need to adopt hygienic practices. The first interaction with students is then replicated with the rest of the community. Subsequently, follow-up visits and communication are undertaken at periodic intervals which reinforce the message and learnings.

Started in 2002, the programme has as of now covered about 15000 villages in 8 states -- Uttar Pradesh, Bihar, Jharkhand, West Bengal, Orissa, Madhya Pradesh, Chattisgarh and Maharashtra; it has already touched about 70 million people, imparting hygiene education to over 25 million children. The vision of this on-going project is to make a billion Indians feel safe and secure by focussing on their health and hygiene needs.

**FAIR & LOVELY FOUNDATION -- *Economic Empowerment of Women***

The Fair & Lovely Foundation is HLL’s initiative which aims at economic empowerment of women across India. It aims to achieve this through providing information, resources, inputs and support in the areas of education, career and enterprise. It specifically targets women from low-income groups in rural as well as urban India. Fair & Lovely, as a brand, stands on the economic



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empowerment platform and the Foundation is an extension of this promise. The Foundation has renowned Indian women, from various walks of life, as its advisors. Among them are educationists, NGO activists, physicians. The Foundation is implementing its activities in association with state governments.

In India, low-income families, albeit unwillingly, tend to discriminate against girl children, in providing opportunities for education and enterprise, because of resource constraints. The support provided by Fair & Lovely Foundation will help girl children avail opportunities of higher education and acquire skills in appropriate professions. The series of projects that have been drawn up to achieve the vision include the following:

**Careers:** Career guidance by organising career fairs. About 100,000 students have benefited from these career fairs in 42 towns and cities in 2003, getting acquainted with over 200 career options. The programme offers workshops for career guidance, resume-writing skills, personality development. A career guidance programme has also been specially designed for television, and is running on three TV channels. Career columns are being written and sponsored in different magazines.

**Education:** Scholarships for education such that it opens career avenues, specifically targeting low-income groups are being provided. 2003 was the first year of scholarships -- 147 students have received scholarships in 2003.

### **Enterprise: Vocational training**

- a) a three-month Home Health Care Nursing Assistant's Course
- b) skill development in the areas of embroidery and garment designing
- c) professional course for aspiring beauticians.

In all, 215 women have been trained in 2003.

Launched in 2003, Fair & Lovely Foundation seeks to impact the lives of about 5000 women by 2005. This will be done through scholarships and enterprise initiatives. For career guidance, it seeks to touch millions of aspiring women and students in an ongoing programme, currently covering three states and all main metros in the country.

**GREENING BARRENS -- *Water Conservation and Harvesting***

HLL's Water Conservation and Harvesting project has two major objectives: a) to reduce water consumption in its own operations and regenerate sub-soil water tables at its own sites through the principles of 5R -- reduce, reuse, recycle, recover and renew; b) help adjacent villages to implement appropriate models of watershed development.

Water scarcity is one of the biggest crises facing India in terms of spread and severity. Water conservation and harvesting in HLL's own operations will help conserve and regenerate this scarce resource. An attendant benefit will be reduction in the consumption of energy that would have been spent in converting and using that water. The support to communities in developing watersheds will help in the economic development of areas adjacent to HLL sites.

Water management is a focus area for all HLL factories. Water conservation has been made one of the key performance indicators of an HLL factory. Through a series of technology innovations and novel processing routes HLL has reduced its ground water consumption by over 50%. HLL has also applied technologies that recycle effluent water after treatment – 70% of HLL sites are now zero discharge sites. There are many other measures -- Reverse Osmosis Plants and Solar Evaporation Ponds to name a few. A simultaneous benefit is saving in energy that otherwise would have been consumed in drawing, pumping or converting water into steam -- HLL's energy consumption per unit of production has come down by 61% since 1996. Since 2003, all HLL sites have begun to harvest rain water. Rain water falling on factory premises is accumulated in ponds, thereby renewing sub-soil water tables.

HLL is also committed to extending its efforts on water management to the larger community, and has engaged in community projects in water adjacent to manufacturing sites.

The Khamgaon soap factory is located in a dry and arid region of Maharashtra and gets limited rainfall. Seven years back the factory started a pilot on 'Watershed Management' on a 5-hectare plot to prevent soil degradation and conserve water. The efforts have resulted in the creation of a green belt, which is the only visible green patch in the area. The 5-hectare green belt is now a veritable forest of about 6300 trees, including over 1400 ornamental plants and over 600 fruit-bearing plants. There has also been a remarkable improvement in the quality of soil, and



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significant conservation of water. This has been documented in a booklet, 'Greening Barrens', so that industry, government bodies and communities adopt this widely. Encouraged by the results, HLL has extended the model to a neighbouring village, Parkhed, in association with the TERI and the Bharatiya Agro Industries Foundation. The community at Parkhed has already constructed 37 check dams. More than 20,000 saplings have been planted during the 2003 monsoon. For the first time, villagers were able to collect water and utilise it for irrigation post monsoon. The initiative received appreciation at the Johannesburg World Summit on Sustainable Development.

In association with an NGO, Vanrai, HLL's Silvassa manufacturing hub (in the Union Territory of Dadra & Nagar Haveli) too has embarked on a long-term project of water harvesting, which aims to dramatically change water availability, taking it up to year-round availability from 4 months at present. At Karchond village, near the Silvassa site, the community has built 18 bunds. Seven of them are on a river running through the village, and 11 smaller ones at different water run-off points. This has enabled the community to sow a second crop, thereby significantly increasing their incomes. Through an Integrated Village Development Programme, the project's ambit also includes alternate income-generating activities through SHGs, forestry management, education of children, nutrition.

The programme of watershed management is being progressively extended to other factories. The Hosur Coffee Factory has set an example in low-cost water harvesting methods. Another example is the Yavatmal Personal Products Factory, which has worked with the Social Forestry Department of the Maharashtra Government to improve sub-soil water table in the area.

HLL's vision is to continuously innovate technologies to further reduce water consumption and further increase conservation in its operations. Simultaneously, HLL sites will progressively help communities, wherever required, to develop watersheds.

### **HAPPY HOMES - *Special Education & Rehabilitation***

Under the Happy Homes initiative, HLL supports special education and rehabilitation of children with challenges.



**Asha Daan:** The initiative began in 1976, when HLL supported Mother Teresa and the Missionaries of Charity to set up Asha Daan, a home in Mumbai for abandoned, challenged children, and the destitute. Subsequently, Asha Daan has also become a home to the HIV-positive. The objective in supporting Asha Daan was and continues to be to share the organisation's prosperity in supporting the Mother's mission of serving the "poorest of the poor". Asha Daan has been set up on a 72,500-square feet plot belonging to HLL, in the heart of Mumbai city. HLL bears the capital and revenue expenses for maintenance, upkeep and security of the premises. The destitute and the HIV-positive are provided with food, shelter and medication for the last few days of their lives. The needs of the abandoned challenged children are also met through special classes of basic skills, physiotherapy and, if possible, corrective surgery. At any point of time, it takes care of over 300 infants, destitute men and women and HIV-positive patients.

Over the years, HLL has opened schools for challenged children with a sharper objective of supporting families of such children, helping the children become self-reliant by learning appropriate skills to be productive members of the household.

**Ankur:** In 1993, HLL's Doom Dooma Plantation Division set up Ankur, a centre for special education of challenged children. The centre takes care of children with challenges, aged between 5 and 15 years. Ankur provides educational, vocational and recreational activities to over 35 children with a range of challenges, including sight or hearing impairment, polio related disabilities, cerebral palsy and severe learning difficulties. These physically and mentally challenged children are taught skills, such as cookery, painting, embroidery, bamboo crafts, weaving, stitching, etc depending on their aptitudes. The centre has rehabilitated 10 children, including self-employment for 6 children by providing them with shops, and 3 girls have been provided employment as creche attendants. It has also moved to normal schools 18 children. Since inception it has covered about 80 children. Ankur received the Lawrie Group Worldaware Award for Social Progress in 1999 from HRH Princess Royal in London.

**Kappagam:** Encouraged by Ankur's success, Kappagam ("shelter"), the second centre for special education of challenged children, was set up in 1998 on HLL Plantations in South India. It has 17 children. The focus of Kappagam is the same as that of Ankur. The centre has 17 children, being taught self-help skills, useful vocational activities like making of paper covers, greeting cards,



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wrapping papers, fancy stationery, napkins, brooms made out of coconut leaves, candles, and also some home care products. About 12 of the children have become relatively self-reliant by earning through crafts learnt at the centre. Since inception, it has covered about 28 children.

**Anbagam:** Yet another day care center, Anbagam ("shelter of love"), has been started in 2003 also in the South India Plantations. It takes care of 11 children. Besides medical care and meals, they too are being taught skills such that they can become self-reliant and elementary studies.

Over 20,000 individuals have benefitted from the Happy Homes initiatives since inception. HLL is wholeheartedly involved with all four centres and will continue to be involved in the future.

Among HLL's other significant CSR initiatives are:

### **Yashodadham**

HLL has reconstructed a village in the Bhachau Taluka of Gujarat's Kachchh district. The village, which has been named Yashodadham, was dedicated to its 1100 residents in December 2002. The residents belong to Nani Chirai village, which was completely wrecked by the devastating earthquake of January 2001.

Yashodadham, spread over 25 acres, comprises 289 homes. HLL has also provided a school building, an exclusive playground for children and a multi-purpose community centre, including a crèche, health centre, community room and village administration office. All the structures are earthquake and cyclone-resistant. Space has been left all along the village for parks and public squares, where villagers subsequently will plant trees.

Each house is of 400 sq. ft built-up area, with running water and electricity, in a 1600 sq. ft plot. As desired by the villagers, the design and foundation of houses and the plot size is such that they have the scope to build extra rooms in the future. HLL has constructed both an underground reservoir and an overhead tank for water.

HLL, which had launched immediate relief after the quake in areas adjacent to its Kandla Exports factory, subsequently decided to reconstruct a village, which was completely wrecked. The objective was to help a completely wrecked village, because such settlements had the greatest



need for help. Forty such villages were inspected, around Kandla factory, and Nani Chirai was chosen.

### **Vindhya Valley**

In 2002, the company took up a project in Madhya Pradesh, which will impact the entire state's rural population. The mainstay of Madhya Pradesh's economy is agriculture. Prosperity thus means increasing the income of farmers and small town and village entrepreneurs engaged in agro-processing and cottage industries.

This is where HLL is contributing its expertise. It has helped the state government create 'Vindhya Valley', an umbrella brand, and support software for its marketing, manufacturing and distribution. The state government has been substantially investing every year to finance small town and village entrepreneurs. But the lack of marketing skills and market access denied them the desired success and eventually resulted in most of these ventures becoming unsustainable. The launch of 'Vindhya Valley', with support software from HLL, is helping overcome the impediment. It is a truly unique and sustainable form of livelihood generation. This has resulted as of now in the establishment of 20 small units, based in rural areas, providing direct engagement to about 1000 families involved in the production of spices, honey, papad, pickles, agarbatti etc.

The success of 'Vindhya Valley' has been recognised by various state governments. HLL has recently begun work with the Karnataka Government in similar projects to improve the income and quality of life of rural communities. An umbrella brand, 'Stree Shakti', is being created for Self-Help Groups (SHGs). The initiative will generate higher sales and higher returns for the SHGs.

In its business operations and in its principles and practices, Hindustan Lever thus straddles the Indian corporate world, single-mindedly identifying itself with Indian aspirations and needs in every walk of life.