



THESIS

On

**The Strategic Role of CSR in the FMCG Sector: Analyzing Business Advantage Through
Case Studies of Leading Companies**

**SUBMITTED FOR THE AWARD OF DEGREE OF
BACHELOR OF ARTS IN JOURNALISM**

By

HARSHITA ARORA

Under the Supervision of

Dr. Nidhi Singhal

Department of Journalism,

Delhi College of Arts and Commerce,

University of Delhi, New Delhi 110023,

Phone: 011 - 24109821

Declaration of Originality

I, miss Harshita Arora, hereby declare that my research paper on the topic “**The Strategic Role of CSR in the FMCG Sector: Analyzing Business Advantage Through Case Studies of Leading Companies**” is an original work done by the researcher. I further reaffirm that the paper has not been published yet.

Approval for research

Recommended that the research report titled “The Strategic Role of CSR in the FMCG Sector: Analyzing Business Advantage Through Case Studies of Leading Companies” prepared_by Harshita Arora under supervision and guidance is accepted for the subject.

There is no content that can cause harm on any basis.

Name: Harshita Arora

Name of professor: Dr. Nidhi Singhal

Signature:

Acknowledgement

First and foremost, I bow my head in gratitude to the almighty, whose divine grace has granted me the strength, wisdom and perseverance to undertake and complete this research.

I take this opportunity to express my deepest sense of respect and sincere gratitude to Dr. Nidhi Singhal, my esteemed supervisor, for her scholarly guidance, insightful suggestions and continuous encouragement throughout the research. Her valuable feedback and unwavering support have played a pivotal role in shaping the direction and quality of this study.

I extend my heartfelt thanks to Dr. Neha Jhingala, head of the department for her academic leadership, constant motivation and for fostering an environment of learning and research within the department.

I am also profoundly grateful to Dr. Rajhiv Chopra, principal of Delhi College of Arts and Commerce, University of Delhi, for providing the institutional support and infrastructure that made this research endeavour possible.

I would like to acknowledge the faculty members, administrative staff and fellow students of Delhi College of Arts and Commerce for their cooperation and moral support during the completion of my work.

Lastly, I extend my special thanks to my family and wellwishers whose unwavering faith, patience and emotional support have been my greatest strength throughout this journey.



Certificate

This is to certify that the thesis titled, ‘The Strategic Role of CSR in the FMCG Sector: Analyzing Business Advantage Through sCase Studies of Leading Companies’ submitted to Dr. Nidhi Singhal faculty, Department of Journalism, Delhi College of Arts and Commerce, University of Delhi, in partial fulfillment of the requirements for the reward of the Bachelors of Arts Journalism, is an original work carried out by Miss. Harshita Arora.

This research was undertaken under my supervision and guidance, and to the best of my knowledge, the thesis has not been submitted for the reward of any degree or diploma, associateship, fellowship, or any other similar title at any other university or Institution in India or abroad.

Chapter 1 INTRODUCTION

10 - 20

- 1.1 Background of the study
- 1.2 Definition of CSR
 - 1.2.1 Definitions by authors
- 1.3 History of CSR
- 1.4 Evolution stages of CSR
 - 1.4.1 Early roots “ Pre 20th century
 - 1.4.2 The 20th century “ formalizing the concept
 - 1.4.3 The 1980’s - 1990’s
 - 1.4.4 The 2000’s - present
- 1.5 Types of CSR
 - 1.5.1 Environmental responsibility
 - 1.5.2 Ethical responsibility
 - 1.5.3 Philanthropic responsibility
 - 1.5.4 Economic responsibility
 - 1.5.5 Legal responsibility
- 1.6 Theories of CSR
 - 1.6.1 Stakeholder theory
 - 1.6.2 Legitimacy theory
 - 1.6.3 Triple bottom line theory
 - 1.6.4 Carroll’s Pyramid CSR
 - 1.6.5 Instrumental Theory
- 1.7 Importance of CSR in today’s world

Chapter - 2 Review Of Literature	21 - 25
2.1 Introduction	
Chapter - 3 Objectives	26
Chapter - 4 Hypothesis	27
Chapter - 5 Research Methodology	28
Chapter - 6 Data Collection	29 - 43
6.1 Unilever	
6.1.1 Health and Lifestyle	
6.1.2 Environment and Sustainability	
6.1.3 Employee morale	
6.1.4 Water stewardship	
6.1.5 Women empowerment	
6.1.6 Local and marginalized communities	
6.2 ITC	
6.2.1 Health and lifestyle	
6.2.2 Environment and Lifestyle	
6.2.3 Education	
6.2.4 Women empowerment	
6.2.5 Rural Development	
6.2.6 National Heritage and Culture	
6.3 Nestle	
6.3.1 Health and Lifestyle	
6.3.2 Environment and Sustainability	
6.3.3 Employee morale	
6.3.4 Youth empowerment	
6.3.5 Women empowerment	
6.3.6 Human Rights	
6.3.7 Rural Development	
Chapter - 7 Analysis and interpretation	44 - 69
7.1 Analysis of data	

8.1 References

Abstract

Traditional business models were largely profit-driven, with limited attention paid to labor rights, human rights, environmental concerns, and sustainability. There was little emphasis on providing civilizations, the thought about labor rights and the environment started declining. With the onset of industrialization and commercialism, these thoughts were not given the slightest attention, and this resulted in more social inequalities, increased pollution, more chemical burning and health problems.

But in recent times, there has been a greater inclination towards sustainability, environmentalism, appropriate working conditions, equal pay, and respect for all stakeholders of companies. The growing attention has led to better opportunities for organizations to show their responsibility in making a better society by integrating initiatives that support positive social outcomes, along with satisfaction at the consumer and stakeholder side. The public has also started considering these actions as impeccable decisions which should be taken for the betterment of the society and benefits to workers, promoting equality, or offering incentives. While the environment was often viewed as a sacred entity, there was a lack of exploitation towards the environment. After initializing the environment as a whole. Due to this enthusiasm among the people, modern businesses have integrated these practices into their missions and values while seeing this as an opportunity to increase their profitability at the same time.

CHAPTER 1

INTRODUCTION

1.1 Background of the study:

Traditional business models were largely profit-driven, with limited attention paid to labor rights, human rights, environmental concerns, and sustainability. There was little emphasis on providing civilizations, the thought about labor rights and the environment started declining. After initial civilizations, the thought about labor rights and the environment started declining. With the onset of industrialization and commercialism, these thoughts were not given the slightest attention, and this resulted in more social inequalities, increased pollution, more chemical burning and health problems..

But in recent times, there has been a greater inclination towards sustainability, environmentalism, appropriate working conditions, equal pay, and respect for all stakeholders of companies. The growing attention has led to better opportunities for organizations to show their responsibility in making a better society by integrating initiatives that support positive social outcomes, along with satisfaction at the consumer and stakeholder side. The public has also started considering these actions as impeccable decisions which should be taken for the betterment of the society and the environment as a whole. Due to this enthusiasm among the people, modern businesses have integrated these practices into their missions and values while seeing this as an opportunity to increase their profitability at the same time.

According to a study by Environics International's CSR Monitor, corporate social responsibility is the most important factor influencing consumer perception of a company's image, alongside brand quality and reputation. Companies are increasingly recognizing the importance of environmental commitment and embracing sustainability initiatives to create a positive impact on the environment. Consumers are becoming increasingly environmentally conscious and are drawn to brands that align with these values and meet their expectations.

Many scholars have published research on corporate social responsibility (CSR) as an advantage for organizational profitability. Studies have also explored the relationship between CSR and brand image and reputation, and various comparative studies have been conducted across different sectors of the economy. Numerous case studies and reports have highlighted the importance and significance of CSR. Factual documents from the World Economic Forum, the United Nations Environment Programme, and the United Nations Development Programme have provided evidence of environmental degradation and how brands are continuously working to address this issue through innovation, green ideas, and new methods of production..

1.2 Defining CSR

The term CSR is a buzzword now. Everyone, from suppliers to partners to employees, and most importantly, consumers, have their eyes on these initiatives of organizations. We can say it's one of the most read and searched words. CSR is not just a word that organizations adopted just because of some necessary regulations. It comes with its own benefits of increasing consumer loyalty, the brand's positive image and goodwill, and reputation among all stakeholders altogether. The word might sound very easy to understand but in reality there exists different meanings of this responsibility with some people considering it as a necessary action to promote a positive environment, combating the generation of pollution with initiatives to develop innovative practices to reduce harmful effects of industrial waste. While for some, it can be a concept which talks about creating safe spaces for the people both internal and external, showing empathy, providing proper incentives, benefits and resulting in better employee satisfaction and a better reputation for the brand.

The 1960s marked the beginning of efforts to define Corporate Social Responsibility, CSR, with research in that field booming in the 1970s. The main focus of CSR deals with the obligations of a corporation to the local society where it conducts business. Some other definitions focus on the bonds of a corporation with its stakeholders. Focusing broadly, CSR means what is or what should be the relationship between global corporations, governments, and citizens. The main idea of CSR remains that there is always a social contract, in one form or another, between all the stakeholders of a society which is necessary for civil society, despite different versions

existing.CSR can be defined as a self regulatory business model which makes businesses accountable to itself, stakeholders and consumers. By practicing CSR, companies impact the society economically,socially and environmentally.

1.2.1 Different definitions by authors:

- “how companies manage the business processes to produce an overall positive impact on society” (Baker, 2004)
- “continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large” (World Business Council for Sustainable Development in Hopkins, 2007)
- additional responsibilities of businesses to local and wider communities apart from its core responsibility of profit maximisation (Simpson and Taylor, 2013)

Corporate responsibility is the way of promotion and protection of human rights, standards of labor, and the environment. An efficient CSR concept is likely to lead to diverse productivity, improved competitive advantage, quality, an expansive-effective human resources, brand image and reputational identity, heightened customer loyalty, refined processes of decision making and risk management, and more.This concept adds that CSR goes beyond present society members. Society extends beyond current members; these individuals require caring for.From the angle of social development, it allows people to demonstrate care for socially marginalized groups. Sharing development responsibility in a way enhances social welfare by helping them fulfill their education, health, and other development needs. Thus, obligatory CSR becomes one means for business enterprises to creatively participate in development activities aimed at the improvement of marginalized so as to mitigate the negative economic impact.

1.3 History of CSR :

In India, CSR can be traced back to the Gandhian principle of partnerships. There are myriad perceptions concerning Indian CSR in its various aspects. From the 1950s onward, concern for CSR has been viewed as a type of corporate philanthropy. Its evolution in India was confined to grants, philanthropic trust foundations, and similar activities. The philanthropic conception of

CSR began changing to strategic CSR, and especially during the 1980s mid- there was widening in the canvas of Indian business perspective. The phenomena of change in Indian CSR practices has been strengthened to give some legal structure for CSR practices and later incorporated Clauses 134 and 135 of the Companies Act 2013 which mandates social responsibility spending to be incurred by the corporation.

Unlike the enforced CSR policies of Denmark, Indonesia, and the USA, in India the Ministry of Corporate Affairs (MCA) came up with CSR Voluntary Guidelines which visibly focus on considering all stakeholders, ethical practices, employee care, doing business respectfully, caring about human rights, as well as sustainability and environmental protection towards achieving holistic or comprehensive social responsibility in 2009.

1.4 Evolution stages of CSR:

1.4.1 Early Roots: Pre-20th Century:

A formal definition of corporate social responsibility is rather new but it traces back to ancient civilizations. Indian, Greek, and Mesopotamian societies had some understanding of business ethics as well as social responsibility as civic duties. Merchants had to be honest, fair, and even generous while conducting trade. During the Industrial Revolution, the philanthropic spending industrialists, like George Cadbury in the UK and Jamsetji Tata in India, marked the first comprehensive thought toward social responsibility. Cadbury along with Tata contributed to employee welfare, education and infrastructure of communities. These were the first attempts, not structured, to build a modern CSR framework from an ethical perspective.

1.4.2 The 20th Century: Formalizing the Concept:

The formal expression of CSR started in the mid-20th century, particularly due to the developing influence of big corporations. In 1953, American economist Howard R. Bowen published “Social Responsibilities of the Businessman,” highly regarded as the starting point for the modern CSR movement. Bowen contended that corporate managers have the responsibility to pursue policies and make decisions that are deemed satisfactory in terms of sociable values and goals. The heightened social and political activity in the 1960s and 1970s, led by civil and environmental rights advocates as well as consumerism, put pressure on businesses to broaden

their social responsibility. This period marked the transition from business-as-usual to a model where ethical, legal, and societal factors are integrated into corporate decision-making processes.

1.4.3 The 1980s–1990s: Integration into Business Strategy:

In the 1980s and 1990s, CSR developed from a reputation-based expectation into a more integral function of business strategy. The development of stakeholder theory, primarily articulated by R. Edward Freeman in 1984, pointed out that businesses have obligations beyond their shareholders to employees, customers, suppliers, communities, and nature. With the rampant publicity of corporate scandals and environmental catastrophes, companies started formalizing their CSR strategies by creating dedicated divisions and policies, along with measuring social performance through imposed metrics. The “Triple Bottom Line” concept which emphasizes people, planet, and profit began to emerge and motivated businesses to evaluate performance from multiple angles. It was also during this time that the idea arose that CSR could enhance long-term value and lower reputational risks, especially in high-profile sectors such as FMCG.

1.4.4 The 2000s–Present: CSR as a Competitive Advantage:

In the 21st century, CSR has become a core aspect of business strategy and brand image. The brand that a company presents and its reputation now heavily depend on how socially responsible (or irresponsible) its business activities are. Globally, the development of the United Nations Global Compact (1999), ISO 26000, and the Global Reporting Initiative (GRI) provided frameworks for benchmarking and measuring CSR activity and accountability. Other concepts, such as Creating Shared Value (CSV), advanced by Michael Porter and Mark Kramer, further transformed the scope of CSR into one where social investment is integrated with business profitability. Nowadays it is concerned with sustainability, climate change, socio-economic inclusiveness, ethical leadership, and governance. In the context of fast-moving consumer goods (FMCG), CSR has increasingly been linked with enhanced brand perception and loyalty, social consumerism, positive financial results, and ultimately competitive advantage.

1.5 Types of CSR:

Corporate Social Responsibility (CSR) is a multi-dimensional concept that can be categorized into several types based on the area of impact. Understanding these types helps to analyze how

companies integrate CSR into their operations and align their values with stakeholder expectations. The four most widely accepted categories of CSR are:

1.5.1 Environmental Responsibility:

Taking care of the environment is paramount as it concerns a company's efforts in minimizing its negative impacts on nature. These practices include spending less on carbon fuels, conserving natural materials, recycling old products, and investing in sustainable funds. Eco friendly practices are especially emergent in regard to fast moving consumer goods sectors due to their solo all inclusive nature. For example, Unilever and Nestle have integrated eco policies so that they are more sustainable in every step of their production. Other policies include using materials that can break down and disintegrate neatly after some time, ethically sourcing the raw materials, and achieving aims like stopping the release of net carbon dioxide.

1.5.2 Ethical Responsibility:

In a business context, ethical responsibilities pertain to honest and fair dealings. This involves honoring contracts and treating stakeholders like employees, suppliers, and customers with respect and integrity, observing labor rights, diversity and inclusion, and anti-corruption policies. Responsible advertising, honesty in labeling products — especially in fast moving consumer goods — where trust in the product is instrumental, is also considered an ethical responsibility. For instance, The Body Shop as a brand advocates for ethical sourcing and cruelty-free testing, which supports grand social responsibility in cosmetics.

1.5.3 Philanthropic Responsibility:

Philanthropic responsibility surpasses compliance by law and relates to the voluntary contribution of business towards social welfare and community development. Businesses participate in civic and community activities, promotion of education, and provision of medical services. Often seen as a social duty performed by a business firm, philanthropy promotes and supports modification of the environment and people's lives. An example of such in the fast moving consumer goods (FMCG) sector is Procter & Gamble who has various community programs like the "Children's Safe Drinking Water" program which aims to provide clean

drinking water. This being an example of how effective and purposeful philanthropy can be executed and still remain aligned with brand attributes.

1.5.4 Economic Responsibility:

Economic responsibility means making commercial decisions while giving fair consideration to the interests of society at large, not just profits. This type of CSR focuses on long-term value instead of short one. These include fair pricing, responsible investing, financial transparency, and innovation for inclusive products and services. This consideration allows for pursuits of economic fortune that do not de-facto the moral integrity or social value of a company. Such as the brand Patagonia, which puts a considerable amount of its profits back into environmental activism but has consistently run a profitable sustainable business.

1.5.5 Legal Responsibility:

Legal responsibility is also among the core types of CSR in some frameworks—getting the laws and regulations right. This includes labour laws, environmental standards, taxation and corporate governance. As legal compliance is widely regarded as a minimal requirement, CSR must include legal compliance within the framework, so as to ensure the organization is operating within the law while also striving to exceed it. For companies in regulated industries such as FMCG, compliance with food safety and health regulations is imperative for ethical corporate conduct.

1.6 Theories of CSR:

1.6.1 Stakeholder theory:

Introduced by R. Edward Freeman (1984), Stakeholder Theory proposes that a corporation's responsibility extends beyond its shareholders to all individuals or groups affected by its operations—called stakeholders. These include employees, customers, suppliers, local communities, governments, and the environment. According to this theory, a business must balance the needs and expectations of these diverse groups to maintain long-term success and sustainability. Unlike the traditional shareholder-centric view, this theory broadens corporate

accountability. It argues that businesses should not operate solely for profit but must also create value for society. Effective stakeholder engagement can enhance reputation, reduce risk, and foster innovation, which is particularly important in consumer-driven industries like FMCG, where public perception can significantly affect sales.

FMCG Example: Unilever uses this approach through its Sustainable Living Plan, aiming to improve health and well-being, reduce environmental impact, and enhance livelihoods for millions of people. By addressing consumer needs (healthier products), employee expectations (fair wages), and environmental concerns (sustainable sourcing), Unilever exemplifies stakeholder theory in practice.

1.6.2 Legitimacy theory:

Legitimacy Theory is based on the idea that businesses must operate within the boundaries of what society considers acceptable. When public trust erodes, companies risk losing their “license to operate.” Therefore, they adopt CSR initiatives to restore or maintain legitimacy. This theory implies that CSR is often a reactive mechanism. When companies face reputational crises or public criticism, they launch CSR initiatives as a form of damage control and image repair. In highly visible industries like FMCG, where customers are sensitive to ethical issues, companies use CSR to realign themselves with public expectations and social norms.

FMCG Example: Nestlé has faced criticism for various issues—from unethical marketing of infant formula to water extraction controversies. In response, the company developed the Creating Shared Value (CSV) initiative, which integrates social goals like rural development and nutrition into its business model. This move helped Nestlé rebuild its social legitimacy and present itself as a socially conscious brand.

1.6.3 Triple Bottom Line theory:

The Triple Bottom Line, introduced by John Elkington (1994), expands the measurement of business success beyond financial profits to include social and environmental performance. The three pillars are:

People – Social responsibility (e.g., employee well-being, fair trade)

Planet – Environmental sustainability (e.g., reducing emissions, waste)

Profit – Economic performance (e.g., sustainable growth) TBL encourages businesses to assess their impact more holistically, moving from short-term financial goals to long-term sustainable value creation. It aligns with the growing global emphasis on ESG (Environmental, Social, Governance) criteria in investment decisions.

FMCG Example: Procter & Gamble (P&G) incorporates TBL in its annual sustainability reports. The company tracks water usage, carbon footprint, and waste reduction (planet), runs health and hygiene programs (people), and maintains profitability (profit). This integrated reporting helps position P&G as a responsible leader in the FMCG industry

1.6.4 Carroll's Pyramid of CSR: Archie B. Carroll (1991) established a hierarchical model of explaining CSR as four interlinked layers of responsibility:

Economic – Be profitable

Legal – Follow the law

Ethical – Do what is right, just, and fair

Philanthropic – Be a good corporate citizen.

The pyramid indicates that while firms have to emphasize profits, they also have to fulfill societal demands in legal, ethical, and philanthropic aspects. It equilibrates compulsory duties (economic, legal) with optional ones (ethical, philanthropic). The model is especially helpful for examining how firms measure CSR efforts.

FMCG Example: Colgate-Palmolive observes all tiers of this pyramid: it creates shareholder value (economic), meets the health and safety regulations (legal), does not engage in animal testing and advocates environmental friendly products (ethical), and organizes oral health consciousness campaigns around the world (philanthropic).

1.6.5 Instrumental theory:

Instrumental Theory treats CSR as a strategic tool to achieve business goals such as market share, brand loyalty, and competitive advantage. According to this view, CSR is not only about doing good—it's about doing well by doing good-

CSR is seen as a form of investment that can lead to consumer preference, better employee engagement, risk mitigation, and investor interest. Companies that adopt this theory strategically embed CSR into their core branding and operations, using it to differentiate themselves in the market.**FMCG Example:** Dove's "Real Beauty" campaign, launched by Unilever, promoted body positivity and diversity. While socially impactful, it also served to emotionally connect with consumers, build brand loyalty, and significantly boost product sales. This CSR initiative was both ethically relevant and financially beneficial, illustrating instrumental theory in action.

1.7 Importance of CSR in today's world: CSR is not just a policy. Rather it's a company's commitment to make the world a better place. In today's scenario, brands are highly recognizing the importance these values bring to the brands reputation. Following these expectations, brands attract consumer attention and trust. Organizing small activities for underprivileged people, donating amounts for food and education of orphans, looking after the well being of employees and creating plans for zero carbon emissions and other hazardous waste.

Corporate social responsibility (CSR) is an increasingly important aspect of the social as well as the financial strategy of any business. Today a core management concept in business is

Corporate Social Responsibility, and business is now expected to make a significant contribution for the financial, social, and environmental well-being of the communities where it operates. The concept of social responsibility is no longer optional, but integral to corporate identity, stakeholder perception, and long-term value creation.

Also, CSR positively impacts employees' satisfaction and the sourcing of candidates. Millennials and Gen Z are seeking a sense of purpose and meaning in their work. Increasingly, employers will choose to hire candidates from those who share common values -- such as diversity, environmental sustainability, and social impact. CSR efforts that help companies facilitate ethical workplace practices, ensure employees have access to volunteer programs, and provide for inclusive culture not only increase employee morale, but also help businesses attract, hire, and retain top talent to their organizations, thus lowering turnover costs and creating innovative workplaces.

From an operational standpoint, CSR helps companies reduce risks and improve their regulatory compliance. Embracing responsible sourcing, ethical labor practices and sustainable production not only mitigates the risk of reputational damage, legal violations and disruption of supply chains, it also ensures that companies comply with the international standards such as the United Nations Sustainable Development Goals (SDGs) or ESG (Environmental, Social and Governance) guidelines.

CSR also provides a competitive advantage – and improves financial performance. Many studies have shown a strong correlation between high CSR performance and business profitability. By addressing social and environmental concerns, companies open up new opportunities to innovate, attract new markets, and attract socially responsible investors. For example, companies that invest in green technology or biodegradable packaging not only help drive sustainability but also generate more demand from the increasing number of consumers who care about the environment, which in turn leads to increased market share.

Chapter- 2

Review of Literature

2.1 Introduction:

Theoretical Rationale of CSR:

There are many fundamental theories related to the practice and research of CSR. The Stakeholder Theory (Freeman, 1984) argues that corporations have obligations to all stakeholders. This theory is especially important in the context of FMCG, where consumers along with suppliers, communities, and employees are affected by corporate action.

The Legitimacy Theory (Suchman, 1995) suggests that businesses have to conform to the limits and standards of the societies in which they operate. CSR is one of the means through which firms justify their existence in society and practice legitimacy which is aligning business processes with social expectations.

Introduction to Corporate Social Responsibility (CSR):

Corporate Social Responsibility (CSR) has undergone transformation, shifting from an optional charitable activity into a mandatory part of business strategy, especially in areas with direct contact to the consumer, like the Fast-Moving Consumer Goods (FMCG) sector. CSR includes a myriad of practices and policies by companies with the intention to make a positive impact in the world that includes ethical treatment of workers, environmental preservation, and volunteering in the local community. As per Carroll's model (1991), CSR has four constituent parts: economic, legal, ethical, and philanthropic responsibilities which all companies are expected to comply with in order to be termed as socially responsible.

CSR and Consumer Loyalty:

Consumer loyalty in the FMCG sector especially is very important. There is evidence that brand loyalty in most sectors is influenced by CSR activities. According to Brown and Dacin (1997)

the CSR record of a company affects its evaluation by consumers and their purchasing decisions to a very significant degree.

CSR and Society

The Social Contract Theory (Donaldson & Dunfee, 1999) posits that society is understood to have an informal contract with business in the sense that it expects businesses to honor some responsibility. Such perspectives provide a comprehensive explanation regarding the significance of strategic CSR within the context of the FMCG industry.

CSR and Financial Performance:

Numerous studies have been conducted on the link between CSR and financial performance, yet the results have been inconclusive. In comparing various firms, some researchers argue that while CSR may give an organization a competitive edge by enhancing profitability through improved brand loyalty or operational efficiency (Margolis & Walsh, 2003), others posit that doing CSR may divert resources from core business functions, which in turn may affect profitability.

CSR and Loyalty

Mohr and Webb (2005) have noted that in fact consumers expect to pay more for products if the company is socially responsible. This is true in particular for those consumers who fall in the millennial and Gen Z category where there seems to be a focus on ethical consumption.

CSR in the FMCG Sector: An Overview:

The characteristic features of the FMCG sector, consisting of high sales volumes and close interaction with customers, places it in the use of CSR as a leveraged region. As customers become more conscious of the demand for goods produced in a socially responsible or ethical manner, the incorporation of CSR strategies for brand loyalty and consumer trust has increased among FMCG companies. In the words of Kotler and Lee (2005), the CSR practices in FMCG go from 'green' packages to community services and also includes the range of socially responsible markets done by corporations.

On the other hand, the FMCG sector is affected by ongoing projects of ecological understanding.

CSR and Employee Morale:

CSR practices affect not only external stakeholders but also employees within a company. Seems like CSR improves employee's overall morale, satisfaction with their job, and even commitment to the organization (Turker, 2009). In the case of the FMCG industry which employs big workforces in production and distribution, worker-centric CSR practices can lead to increased productivity and motivation.

Nestlé has put in place numerous programs directed towards the welfare of its employees such as health and safety, training, and even diversity and inclusiveness. All these factors assist in improving organizational culture while providing better retention rates for employees.

CSR in Relation to Brand Image in FMCG:

There are many studies that have confirmed the positive impact of CSR on brand image. Du, Bhattacharya, and Sen (2010) report that CSR activities greatly improve brand perception as well as loyalty among consumers, especially in industries that have high consumer interaction such as FMCG.

As for the FMCG industry, where it is difficult to differentiate one brand from another owing to standardized product offerings, CSR is one of the most important factors that differentiate brands.

CSR and Environmental Sustainability:

In the context of the FMCG sector, environmental sustainability is one of the most important aspects of CSR. The industry is known to heavily contribute to environmental concerns through the usage of packaging, carbon emissions and water consumption. There is an action to minimize these impacts by adopting eco-friendly policies such as sustainable sourcing, waste reduction and minimizing carbon footprint.

Companies like Unilever show that CSR can actually encourage environmental sustainability by reducing damage through sustainable sourcing of palm oil and products designed to reduce water usage. It also relates to ITC who has gained notoriety for their afforestation and watershed development programs.

CSR and Social Development:

CSR programs with a social development focus frequently focus on rural development, women's empowerment, healthcare, and education. These initiatives improve community relations and a company's reputation in addition to upholding moral and legal commitments. By enhancing rural communities' quality of life, ITC's CSR initiatives—like its Women Empowerment Program and Primary Education Program—have increased local communities' trust and goodwill. Another example of a corporate social responsibility program that aims to promote nutrition education and social development is Nestlé's "Nestlé Healthy Kids Programme."

The Legal Structure Overseeing:

CSR Section 135 of the Companies Act, 2013 governs corporate social responsibility (CSR) in India. It requires companies that meet specific requirements to invest at least 2% of their average net profits in CSR initiatives. Because of this regulation, CSR is now a strategic and compliance-driven activity for FMCG companies. Globally, stakeholders and regulatory agencies are putting more and more pressure on companies to embrace responsible business practices, even though CSR is primarily voluntary. Investors, authorities, and customers frequently have a more positive opinion of businesses that actively participate in CSR.

Challenges in Implementing CSR in FMCG:

Despite the benefits, implementing CSR in the FMCG sector presents several challenges. These include resource constraints, lack of awareness, and difficulties in measuring impact. Moreover, there is often a gap between CSR policy and execution, leading to skepticism among stakeholders.

Another significant challenge is ensuring the authenticity of CSR claims. The rise of "greenwashing" has made consumers wary, emphasizing the need for transparency and third-party audits.

Conclusion and Research Gap:

There's a wealth of literature out there on corporate social responsibility (CSR) and how it affects different stakeholders. However, a noticeable gap remains when it comes to research on the strategic integration of CSR within the fast-moving consumer goods (FMCG) sector, particularly through in-depth case studies. Most existing studies tend to be either theoretical or concentrate on just one aspect, like consumer perception or environmental impact. What's really needed is a thorough analysis that looks at how CSR influences various facets of business performance—think brand loyalty, employee morale, financial returns, and community engagement—specifically in the FMCG arena.

This study sets out to bridge that gap by examining the CSR initiatives of top FMCG players like Unilever, ITC, and Nestlé, and evaluating their effects across different areas. In doing so, it aims to enhance our understanding of CSR as a strategic business in one of the most consumer-centric industries in the world.

Chapter - 3

3.1 OBJECTIVES

The study examines the following objectives:

- 1) To find out whether the three major FMCG companies (Unilever, ITC and Nestle) have a CSR policy or not.
- 2) To find out the whether there is any positive relationship between CSR and financial performance of companies
- 3) To find out whether there is any positive relation between CSR activities and reputation and goodwill
- 4) To find out whether there is any positive relation between CSR activities and consumer loyalty.
- 5) To find out the three companies impact on key areas of
 - Health and Lifestyle
 - Environment and Sustainability
 - Employee Morale
 - Education and Skill Development
 - Women Empowerment and Gender Equality
 - Youth Empowerment
 - Rural Development
 - National Heritage and Culture

Chapter - 4

4.1 Hypothesis:

- 1) CSR initiatives do not possess any impact on the company's financial performance and consumer loyalty factor.
- 2) CSR activities enhance the reputation and brand image of the brands.
- 3) There is a positive correlation between CSR investment in key areas and long term business advantage.
- 4) All the three companies do not possess any CSR plans.
- 5) There are no challenges in implementing CSR activities.
- 6) There are no laws to regulate CSR practices in the FMCG sector.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 Introduction:

This chapter presents the methodology used in the research paper. It will detail the different variables of the study, hypothesis, selected method, sampling techniques, the data collection methods and statistical analysis tools used to interpret collected information.

The key criteria included:

1. Being a leading player in the FMCG sector
2. A well- documented CSR plan and report
3. Demonstrating a strong integration between CSR and business operations
4. Data available through public reports, journals and publications

Company	County of operation	CSR focus area
Unilever	Global (focus on India)	Health, environment, education,employee, culture, women,
ITC	India	Health, environment, education,employee, culture, women, local and marginalized communities
Nestle	Global (focus on India)	Health, environment, education,employee satisfaction, women

CHAPTER - 6

DATA COLLECTION

A. Profile of selected FMCG Companies

6.1. UNILEVER

6.1.1 Health and Lifestyle:

- Unilever CSR strategy highlights its commitment towards health and lifestyle by promoting healthy and nutritious food habits along with Unilever's brands such as Domestos and Lifebuoy have led the charge in hygiene promotion campaigns in developing regions.
- The Lifebuoy Handwashing Programme stops the spread of diseases like diarrhea and respiratory infections by teaching communities proper hand hygiene
- .Through school and village-level outreach programs, Unilever has reached millions of children and families, especially in South Asia and Africa.
- Domestos has partnered with NGOs and other nations to advance toilet and sanitation facilities in support of the UN SDG 6 (Clean Water and Sanitation).
- Contributing through food brands, such as Knorr, Hellman's, and Lipton, the company has reformulated over 60% of its food products to internationally accepted nutritional standards by lowering salt, sugar, and saturated fat levels.
- Unilever also fosters efforts toward plant-based foods in the "Future Foods" obtained with the goal of minimizing the ecological footprint of food on health.
- The Knorr Sustainability Chefs Programme trains people to turn locally grown, sustainable food into accessible, nutritious meals..
- Unilever has started to incorporate mental health and well being into the CSR strategy with increasing focus on workplace wellness programs.

6.1.2 Environment and sustainability:

- The Unilever Sustainable Living Plan launched in 2010 was a daring effort to ‘untether’ corporate expansion from ecological harm. Improving health and well-being, reducing environmental impact, and enhancing livelihoods are the three pillars on which the plan was built.
- Under the environmental section, Unilever set goals to curb emissions, water consumption, and waste with respect to the product lifecycle — from sourcing to disposal.
- To limit the effects of climate change it has achieved its goal of cutting CO2 emissions by 50 percent and improving water efficiency by 47 percent from its manufacturing operations by 2020 within the 2008 baseline.
- The corporation aims to ensure by 2025 that 100% of its plastic packaging is recyclable, reusable, or compostable and also plans to reduce virgin plastic use by 50 percent.
- Multi-market innovation such as refill stations, compressed aerosols, and detergent packaging made out of paper have also been implemented.
- In India, Surf Excel and Love Beauty & Planet piloted refill models for single-use plastic reduction.
- As of the latest reports, over 65 percent is claimed to be derived from proven sustainable sources for agricultural inputs.
- Deforestation and biodiversity are still preserved while procuring important commodities like palm oil, soy, tea, paper, and even palm oil.

6.1.3 Employee morale and skill development:

- People are the most important asset.
- Unilever has made it clear that they blend their social responsibilities around employees and create a positive as well as supportive work culture that enhances employee satisfaction, mental health, diversity, and development.
- Unilever’s internal CSR practices are focused on their overarching sustainability vision, attaining a productive and purpose driven workplace which makes employees fulfilled.

- It marked goals as to the gender balance and the inclusivity of hiring policies. Recent figures indicate that women constitute almost half of the global managerial positions at the company.
- Unilever also maintains an inclusion program that provides employees with respectful workplaces, through programs such as the Global Diversity Board, employee resource groups like U-Belong, and workshops on biases.
- Furthermore, the company provides flexible hours and free access to mental health, counseling, and mindfulness services.
- Mental health campaigns and awareness such as “Are You OK?” help destigmatize emotional health so that it is embraced as a shared social duty.
- Unilever manages the “U-Learn” platform which is a project of lifelong learning providing thousands of complimentary training modules in various fields including but not limited to leadership, concepts of innovation, and digital skills.
- Employees are supported to reskill as well as digitalize aging skills through initiatives like Future Fit Plan and Digital Upskilling.

6.1.4 Water Stewardship Programs:

- Under this section, Unilever set goals to curb emissions, water consumption, and waste with respect to the product lifecycle — from sourcing to disposal.
- To implement water programs across 100 unilever manufacturing plants especially in water stressed locations
- Today, 90% of their home care and personal care products are made in a biodegradable form to decrease the wastage.
- It has joint hands in the Water Resource Group which aims at building water resistance management programs and works towards achieving water for all.
- It collaborates with specially chemical manufacturing companies like Clariant to make more nature based ingredients.
- #Water2Me is an initiative established by Unilever in partnership with World Wide Forum(WWF) for water resource protection in South African Countries.
- School training is done through storytelling as well as lesson materials to capture learners in Asia, Africa, and Latin America regarding water reservation and harvesting systems especially during the rainy season.

6.1.5 Women empowerment and gender equality:

- Unilever promotes women's empowerment across its value chain and these efforts align with the UN Sustainable Development Goal 5 (Gender Equality) and reflect the company's commitment to creating an inclusive, equitable, and purpose-driven business environment.
- As of recent data, 50% of Unilever's managerial positions globally are held by women, making it one of the few major multinationals to achieve such a balance.
- . Over 160,000 "Shakti Ammas" have been empowered with training in sales, financial literacy, and leadership skills, turning them into income earners and community leaders.
- Responsible Sourcing Policy aims in ensuring fair treatment of women working in farms and factories, including protections against discrimination and harassment.
- Dove's Self-Esteem Project educates girls and young women across 150+ countries about body confidence, self-worth, and media literacy. It has reached over 90 million young people so far.
- Sunsilk and Pond's have launched campaigns that encourage girls' education, career ambition, and breaking of traditional stereotypes.
- These brand initiatives contribute to societal change by reshaping public attitudes toward women's roles and abilities. These include generous maternity leave, paternity leave to encourage shared caregiving, and flexible work arrangements..
- Women in leadership programs, internal mentorship, and Unilever's Global Diversity Board help guide and monitor progress in gender inclusion.

6.1.6 Local and marginalised communities:

- Unilever takes distinctive and extensional steps to incorporate smallholders, rural producers, and local suppliers into its global value chain.
- The efforts form part of Unilever's wider CSR framework aimed at "engaging with communities on a deeper level"," "traditional knowledge," and "social cohesion" through culture.

- In modern times, some responsible sourcing is done, which helps market the business, but at the same time protects the area's resources from where the goods are sourced.
- The company is also trying to pour unskilled demand on its suppliers by offering funds for unskilled sustainable work options like advanced agriculture, digital and economic literacy, and others. As a consequence, they are able to get greater ecological resources and fiscal returns.
- One of Unilever's astonishing CSR projects is Project Shakti which was started by Hindustan Unilever Limited (HUL). The project aims to encourage poor and socially disadvantaged women by training them to turn into home-based micro-distributors and entrepreneurs for Unilever products.
- They have successfully increased their family incomes globally and women's standing in the society's eye greatly. School and slum campaigns actively reach out to and engage with a lot of children and families as well which is a positive contribution.
- Over 160,000 Shakti Ammas have been trained in sales, communication and basic business management
- As part of its own advocacy strategy Brooke Bond Red Label, one of the Indian brands offered by Hindustan Unilever, sponsored a campaign celebrating common heritage and oneness in diversity.
- Unilever has also strategically associated some of its brands like Surf Excel and Dove with positive elements of the Indian culture such as kindness, strength, and unity, redefining the brand image to fit into cultural consciousness.
- For some of their brands, the company tailored the advertisements to coincide with the Indonesian cultural calendar as to reinforce national pride and the people's trust in the brands.

6.2 Indian Tobacco Company(ITC):

6.2.1 Health and Lifestyle:

- ITC has set up Well-being Outposts and clinics in villages with proper healthcare services: It has made both preventive and curative healthcare accessible in far-off locations through its “Health and Sanitation” initiatives
- .In collaboration with healthcare professionals and NGOs, it arranges mobile medical units, general health and maternal and child healthcare camps.
- These initiatives were launched in 2022 and by 2023, more than 600,000 people through tribal and underdeveloped areas accessed ITC healthcare services, directly benefiting from these health initiatives.
- ITC has also partnered with schools and communities to create handwashing, menstrual hygiene, and safe sanitation promotion programs.
- Sponsored toilets and sanitation facilities under Sunehra Kal by ITC in schools and homes directly aid the Swachh Bharat Abhiyan program initiated by the Indian government—to cut down water-borne diseases and boost school attendance for girls.
- Reverse osmosis (RO) water purification units and water filters were placed in villages and schools. In rural areas these facilities have greatly improved the health of the population by drastically cutting down the prevalence of water-borne diseases such as diarrhea and typhoid.
- ITC actively involves the local governing bodies in an effort to ensure community sustainability for these projects by arguing for their stewardship. Throughout periods of crisis such as the COVID-19 pandemic, ITC distributed sanitizers, gear and hygiene products, along with supporting oxygen supply chains and isolated centers.

6.2.2 Environment and sustainability:

- . With its integrated business model, ITC proactively manages climate change, biodiversity impacts, water stress, waste, and overall resource use through its Corporate Social Responsibility (CSR) strategy.
- ITC goes by "Responsible Luxury," "Carbon Positive," "Water Positive," and "Solid Waste Recycling Positive," which guides its operations.
- In its latest sustainability report, ITC has achieved longevity in the following:
 - Carbon Positive for 18 consecutive years
 - Water Positive for 21 years
- Over 1 million acres have been afforested since the program's inception, helping sequester over 10 million tonnes of CO₂. The initiative provides livelihoods to tribal and marginal farmers, promotes biodiversity restoration, and improves soil health and microclimates.
- ITC's Social and Farm Forestry Programme is one of India's largest private-sector afforestation initiatives.
- ITC also supports biodiversity corridors, indigenous species and preservation of endangered species.

6.2.3 Education and skill development:

- ITC's learning programme aims at providing universal access to learning facilities to all, especially people from disadvantaged societies.
- It also trains teachers in modern teaching methods and supplies infrastructure to the schools and aims at reducing the dropout rates, along with bridging the social inequality gap in education.
- During Covid pandemic, ITC started a 'catch up campaign' to enhance the learning continuity and reduce the learning gap.
- The Future leaders program (FLP) is one of the flagship initiatives which aims to identify and mentor young talent through rotatory exposure, mentoring, and project based learning to nurture them into future business leaders.
- Health and wellness programs along with onsite medical treatment, mental health counseling, and lifestyle management sessions are provided on a regular basis.

- The company has given equal importance to educational methods and recreational activities which in turn has raised the motivation level.
- There is a special attention given to safety and dignity at the workplace with respect to zero tolerance on harassment and discrimination policies.
- ITC's inhouse platform ITC e-University enables adolescents to take advantage of online courses, certifications, and leadership modules to enhance their capabilities.
- Functional training, leadership training, and cross functional exposure are provided at the company to enable new employees expand their competencies.
- The program has impacted the lives of 84,000 children, and it aims at crossing this number by 1.3 billion by 2030.

6.2.4 Women empowerment and Gender equality:

- Empowering women as well as fostering gender equality in all areas is a primary focus of the social responsibility strategy of the ITC group.
- With this training, women from different social strata become economically active through entrepreneurship or formal employment.
- More than 80,000 women have received training in various skill sets, which permits tailoring, embroidery, food processing, handiworks, beauty care and retail, to name a few.
- Vocational training is supplemented with financial literacy, bookkeeping, management of groups, and linkage to markets.
- Many income generating activities in organic farming, dairy, textile and crafts are supported by ITC and run by self help groups (SHGs) and are quite successful.
- SHGs are useful not only as a source of income generation but also as a means of fostering social change and building confidence among women in conservative, patriarchal, rural cultures.
- Women are also empowered by training them to be hygiene promoters - Swachhata Sakhis. To provide a safe and supportive atmosphere, gender sensitization training, along with employee resource groups, are provided.
- Other policies that fall under attention include promoting maternal well being, addressing anemia and other maternal conditions.

6.2.5 Rural Development and Livelihoods:

- With ITC's community-based planning, the efforts are meant to tackle social inequalities, catalyze development in rural areas, and nurture self-dependency amongst the vulnerable sections of the society.
- Through the e-Choupal initiative, farmers are provided with the digital means of accessing agricultural information, weather updates, and competitive pricing which improves their productivity as well as bargaining power.
- Self-help groups (SHGs) and various entrepreneurship training programs have enabled over eighty thousand women to become economically self-reliant.
- Through farmer producer organizations (FPOs) and training programs, hundreds of marginal farmers have been able to decrease their reliance on intermediaries to earn income.
- ITC's Integrated Watershed Development Program is very impactful for regions that are stressed of water resources.
- More than 1.5 million acres of land have been placed under soil and moisture conservation through watershed development in backward regions like Bundelkhand, Vidarbha, and Rajasthan.
- Community products such as organic grains, handlooms, and traditional foods are marketed through ITC's CSR platform or supply chains.

6.2..6 National heritage and culture:

- ITC, through Mission Sunehra Kal and its other sustainability platforms, has taken multiple inroads to assist traditional artisan communities and revive art forms which are on the decline.
- In the handloom and ikat as well as jamdani and block-printing regions of Andhra Pradesh, Bengal and Tamilnadu, weaving clusters were supported.
- ITC supports artisans' marketing needs as well as helps them forge contracts with urban markets bypassing handicraft culture and identity.
- These efforts include financial literacy training, teaching digital marketing, trademarking as well as Geographical Indication (GI) tagging, and more.

- Under some of its CSR activities, schools provide students with an integrated indigenous studies program that includes heritage themes, local history, and folk art workshops to inspire appreciation for the indigenous culture among young children.
- In partnership with Archaeological Survey of India (ASI) and other cultural institutions, ITC-sponsored regional fairs and ITC's subsidized local festivals promote folk dances, sculpture, and music on a national scale and highlight our rich neglected cultural heritage.

6.3 Nestle:

6.3.1 Health and lifestyle:

- Nestle focuses on health and wellness while considering core aspects of Corporate Social Responsibility (CSR) and Creating Shared Value (CSV).
- e its CSR activities promote balanced diets and food safety while working towards ameliorating nutrition issues, encouraging healthy living at all ages through proactive measures.
- Striving to reduce added sugars, salt, and saturated fats while preserving taste, especially in children and family focused products.
- The evolution of product lines include developed and wholesome, whole grain cereals, low fat dairy, plant-based meals and beverages that are free of sugar.
- **For example**, in India Nestle helped combat iron deficiency anemia by fortifying Maggi noodles and milk powders with iron.
- Nestle has fortified over 300,000 children in states like Punjab, Maharashtra and Uttar Pradesh.
- Nestle supports the United Nations Sustainable Development Goals (SDGs) especially, goal 3, good health and well-being.

6.3.2 Environment and Sustainability:

- By the year 2050, Nestlé aims to achieve net zero emissions of greenhouse gases, with interim milestones to cut emissions by 20% by 2025 and 50% by 2030.
- Currently, over 80% of electricity consumed by Nestlé factories around the world is renewable.

- Under its Responsible Sourcing Standard, Nestlé targets 100% responsibly sourced pivotal ingredients such as cocoa, coffee, dairy, palm oil, and sugar:
- Nestlé through the Cocoa and Nescafé Plans, educates farmers on contemporary sustainable and socially responsible agriculture.
- Supports no-deforestation policies through the use of satellite monitoring, traceable supply chains, and Rainforest Alliance certification.
- Impact: Nestlé has achieved over 96% deforestation-free palm oil sourcing and is working toward 100% in other high-risk commodities.
- According to Nestlé's Sustainability Strategy of packaging, all packaging materials should be recyclable or reusable by 2025.
- Reducing virgin plastic is one of its main goals. Setting up a water harvesting system for replenishment of water is done by the farmers with Nestlé's collaboration.
- Farmers are trained and provided with alternative materials to reduce the use of pesticide in the soil.

6.3.3 Employee morale and skill development:

- The social responsibility system of Nestlé is based on the well-being, engagement and continuous development of the employee.
- Nestlé APs offer counseling and wellness resources such as stress management and mental health counseling.
- Nestlé also offers global fitness challenges, yoga, and wellness sessions, and mental health awareness weeks at their offices.
- During pandemic related restrictions, Nestlé ensured remote wellness services, vaccination drives and flexible work hours to reduce anxiety and maintain morale. Cross functional leadership and other training is offered through ‘Nestlé Academy’.”
- “The Nestlé Continuous Excellence” is a global initiative focused on enhancing the ability of employees to function from an efficiency, innovation and problem solving perspective.

- Employees are trained in e-commerce, data analytics and supply chain management as part of digital upskilling programs to prepare them for a digitally driven future.
- **For example**, in India, Nestlé provides plant workers with technical training and certification, and polished career advancement workshops for employees at all levels. Diversity, equity and inclusion (DEI) are incorporated into the company's hiring and workplace policies.
- To foster connection, regular employee engagement surveys and town hall meetings are conducted to give and receive feedback, celebrate success, raise concerns, and praise employees and cultivate and protect a speak-up culture, guaranteeing psychological safety and open lines of communication.

6.3.4 Youth Empowerment

- Across their CSR initiatives on nutrition, vocational training, youth employability, and academic collaborations, special focus is placed on nutrition and education for less advantaged groups and the rural regions.
- Over 80 countries are covered, with notable inclusions being India, Pakistan, and numerous countries in Latin America and Africa. Their flagship global initiative, launched to promote nutrition education and healthy lifestyles among children and adolescents.
- The Nestlé Healthy Kids Programme. Program exhibits combine lessons with hands-on interactive workshops that teach children hygiene, physical activity, and about balanced diets.
- Nestle collaborates with schools, NGOs, and government health departments to roll out the program as part of the formal education system.
- In India for instance, the program is being implemented in rural and urban areas and over 300,000 students have been reached which has teacher training components.
- Under the Nestlé Needs YOUth global initiative, Nestlé aims to support 10 million young people with economic opportunities before 2030.

6.3.5 Women empowerment and gender equality:

- Nestlé Global incorporates gender equality and women's empowerment initiatives into their CSV Creating Shared Value framework since they see them as important contributors to inclusive growth, innovation in the workplace, and community development.
- Due to being a multi conglomerate FMCG brand, both in developed and developing markets, Nestlé's CSR activities focus not only on internal gender equity, but also on the economic and social mobility of women throughout the value chain, including the agricultural producers and the consumers.
- The firm has set a target to attain gender balance at all levels of management by 2030, with some benchmarks and milestones set for other regions.
- These include training on gender stereotypes, women-focused mentorship schemes, and other affirmative action recruitment policies.
- Nestlé has also implemented a number of family-friendly policies which include, but are not limited to: flexible working hours, paid leave for parents, and assistance for mothers returning to work.
- According to the latest figures, women occupy 43.9% of Nestlé's managerial positions globally, a proportion that is set to increase as a result of the company's targeted CSR and HR policies. T
- Through the Nestlé Cocoa Plan and the Nescafé Plan, the company provides training and financial resources, along with land rights education and cooperative seed funding, to women who own farms.
- Furthermore, the company advocates equal gender extension services so that women can obtain the same level of technical and market access services as men.

6.3.6 Human Rights:

- Nestle has made Human Rights a core pillar of its CSR strategy, aiming at addressing salient human rights issues and consistently working towards creating a healthy environment for all people without discrimination.
- Its human right policy programs consist of many different action plans for the inclusion of everyone in the regenerative food systems.

- The policy aims at creating opportunities for all across priority countries, and is dedicated to bring a positive change through collective action.
- Key commitment areas include:
 1. Zero tolerance for hunger and child labor
 2. Right to nutritious and healthy food and safe drinking water
 3. Gender equality
 4. Responsible employment and safe working conditions
 5. Equality and non discrimination
 6. Women empowerment
 7. Education and skill development activities
 8. Hygiene and sanitation facilities
- Through Nestlé, family traditions and regional cuisines get so much love that it becomes the scope of other marketing campaigns like ‘Taste of Togetherness’ and ‘Kitchen Journeys’ which are aimed at re branding food and building cultural identity and national pride as part of the dynamic identity of indigenous communities who are not looked by the world.
- The company actively forwards identity constructs in other markets like Mexico, Brazil and the Philippines, which is why community curriculums documenting indigenous cultured food are economically supported by the company.
- Key mechanisms:
 1. Human Rights due diligence, where Nestle conducts Human Rights Impact Assessments to understand the working conditions across supply chains especially in cocoa, coffee and palm oil sectors
 2. Nestle’s Cocoa Plan and Monitoring System, where it partners with nGOS to eliminate the child labour across Cocoa supply chains
 3. Responsible sourcing, where the suppliers are required to meet the code of conduct which includes strict human rights measures and violations can lead to consequences
 4. Worker Voice programs. In this workers can anonymously report any concern or troubles in a transparent way.

6.3.7 Rural Development:

- In partnership with thousands of small farmers, Nestlé helps them increase their incomes and wealth status. It helps in mobilization of local sourcing by directly buying raw materials such as milk, coffee, and cocoa from farmers in India, Ghana, Brazil and other Asian and African countries.
- Nestlé encourages farmers as well, by teaching them useful modern farming (agriculture) based on the weather to which best suits them, and also supplies them with veterinary services along with financial skilled training. These farm families become resilient with better crop yields, stable income and be able to cope with climate differences and economic recessions.
- Works on WASH programs, construction of latrines as well as provision of purified drinking water systems through local counselors.
- In India, Nestlé has been involved in nutritious health camps in neglected districts of Uttar Pradesh, Rajasthan and Jharkhand.
- They work with NGOs and schools in rural India who do local educational development projects to teach the country's culture through narrations, local language, and history.
- E.g. 'Eat Right' campaigns by Nestlé as well as anemia awareness programs have reached out to pregnant women along with adolescent girls especially in villages.

ANALYSIS AND FINDINGS OF DATA

7.1 Analysis of the data:

Table 71 depicting the objective 1 of whether the company has a cSR policy or not:

Case Summaries

				Selected FMCG company
Whether or not the company has a CSR policy	Yes	1		Unilever
		2		ITC
		3		Nestle
		Total	N	3
	Total	N		3

Findings:

The table 7.1 highlights that all the three companies have a robust and strict CSR policy extensively working in different dimensions of corporate social responsibility. Their mission and goals include the important actions required for the betterment of the society. They aim at improving the key areas of underprivileged people by offering them various opportunities for a better future.

The Company Act of 2013 also mandates these entities to form a CSR committee, policy and appoint a Company Secretary for supervising these initiatives which also make it necessary for all the stated companies to have a strong CSR system.

Hence the objective is fulfilled

Table 7.2 depicts the objective no 2 of whether there exist any positive correlation between high CSR and high financial performance:

Case Summaries

				Selected FMCG company
Is there any positive correlation between high CSR and high financial performance	yes	1		Unilever
		2		ITC
		3		Nestle
		Total	N	3
Total		N		3

Findings:

The above table 7.2 illustrates the positive relationship between the CSR activities of a brand and the increased revenues and profits. This confirms that high CSR values can increase the financial performances of a brand by improving its reputation and goodwill along with increased consumer trust.

According to the published reports of respective companies, each of them saw an increase in their sales and net profits as consumers today are likely to buy from the environment conscious brands and are becoming more informed on corporate social responsibility terms.

Hence the objective is achieved

Table 7.3 depicts objective no 3 of whether there exists any positive relation between high CSR and high reputation and goodwill:

Case Summaries

				Selected FMCG company
Is there any positive correlation between high CSR and high reputation and goodwill	yes	1		Unilever
		2		ITC
		3		Nestle
		Total	N	3
Total		N		3

Findings:

Table 7.3 specifies that there exists a positive relationship between CSR initiatives and reputation of the brand. In today's world, brands understand the importance of good publicity and brand image as it is directly proportional to its sales and growth. In the past 5 years, all the three companies have seen an incredible growth in terms of reputation due to their commitment towards environment, health, education and gender equality etc.

Hence objective is achieved.

Table 7.4 depicts objective no 4 of whether there exists any positive relation between high CSR and high consumer trust and loyalty:

Case Summaries

				Selected FMCG company
Is there any positive correlation between high CSR and high consumer trust and loyalty	yes	1		Unilever
		2		ITC
		3		Nestle
		Total	N	3
	Total	N		3

Findings:

The given table highlights how important role does CSR policies play in creating a good and loyal consumer base. The saying ‘ Investment in CSR gives long term results’ applies perfectly in this example. The most important factor for any business is Consumers and other stakeholders, therefore working towards creating permanent and loyal buyers are crucial for the success of the company. Therefore, we can conclude that high CSR is equal to high consumer trust and loyalty.

Hence the objective is achieved.

Table 7.5

Frequency of each company’s CSR impact on health and lifestyle

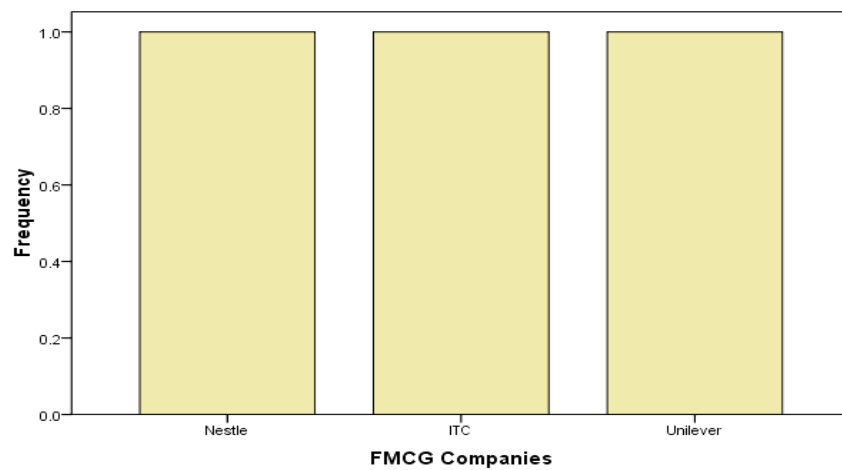
	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7

Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR activities impact on health and lifestyle

	Frequency	Percent	Valid Percent	Cumulative Frequency
High	3	100.0	100.0	100.0

FMCG Companies



CSR activities impact on health and lifestyle



Findings:

The above frequency table interprets the role of the three companies in health and lifestyle management through its CSR policies. Health being a very crucial aspect of life is at the core of the CSR initiatives of the brands.

According to the above figure, health has been the top priority and has seen the most attention of the companies. In the previous chapter, the researchers have briefly discussed the various health programmes and plans initiated by each company.

- Unilever's CSR contribution to the health and lifestyle dimension has seen the highest attention and impact.
- ITC's CSR initiatives has been the highest in the health and lifestyle aspect
- Nestle's CSR programs have also been the highest and maximum in the health and lifestyle sector.

Hence, the objective is achieved.

Table 7.6

Frequency of each company's CSR impact on environment and climate

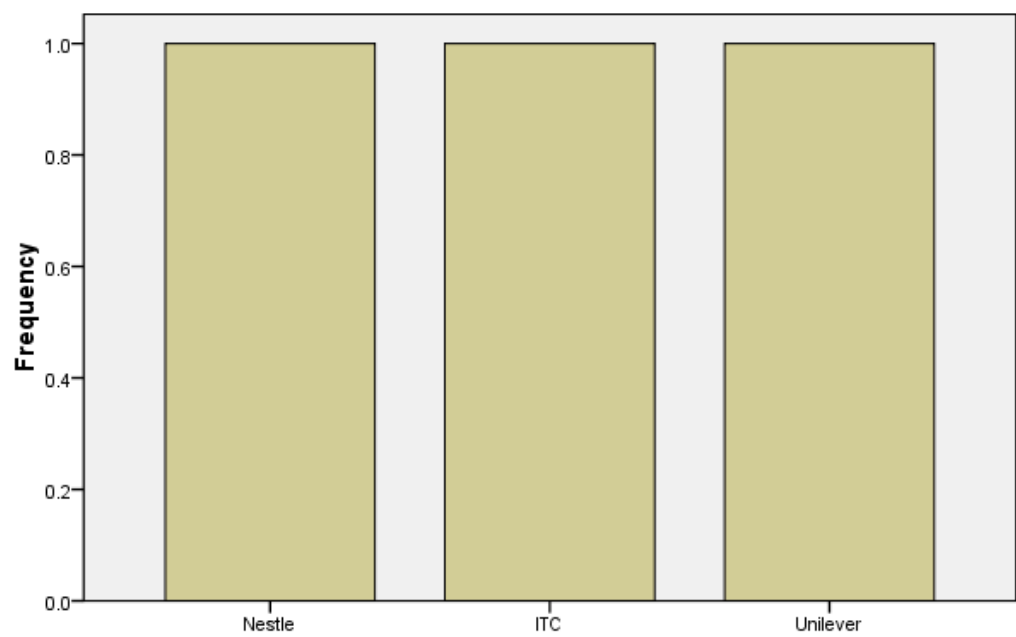
	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR activities impact on environment and climate

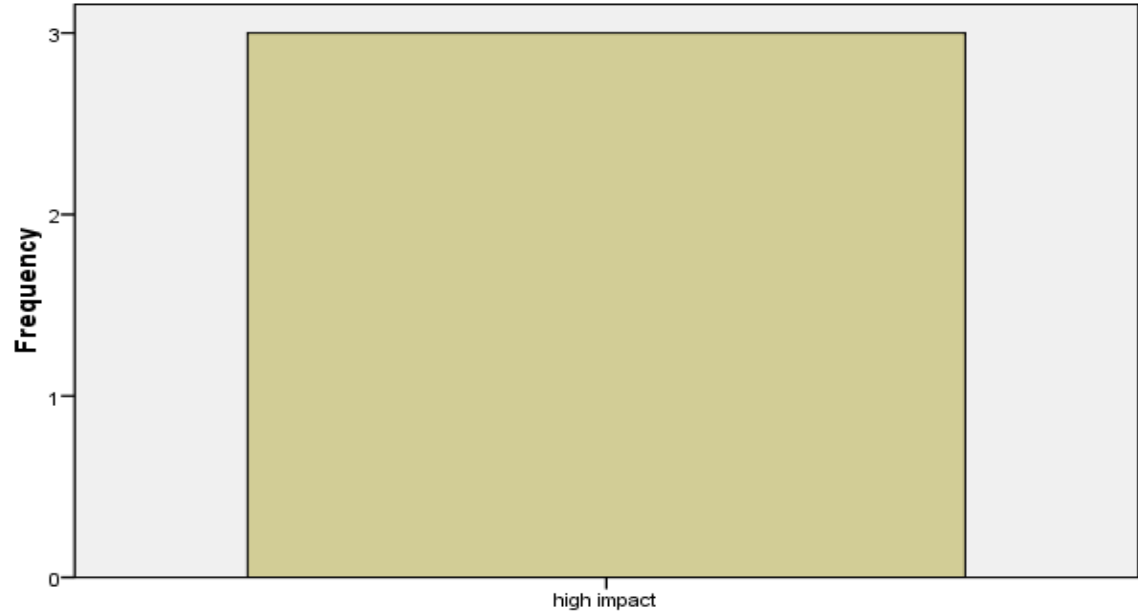
	Frequency	Percent	Valid Percent	Cumulative Frequency

High	3	100.0	100.0	100.0
------	---	-------	-------	-------

FMCG Companies



FMCG Companies



CSR activities impact on environment and climate

Findings:

The above figure illustrates the CSR impact on the environment and climate aspect of the companies policies. In recent times, climate change and sustainability have become the main issues and it is very important to work towards it. Followed by the health and nutrition pillar, environment and sustainability has been on the second priority list of the brands.

- Unilever's environment plan includes variety of programs for various issues and works consistently to limit the effects of greenhouse gases and other hazardous chemicals and aim at creating a green and pollution free environment
- ITC's climate actions plans focuses on water conservation projects, biodegradation, afforestation and manufacturing chemical free ingredients and promotion of solid waste management.
- Nestle's creation of shared values emphasis on sustainable agriculture, responsible sourcing, good quality products and building innovative technologies to reduce the pollution and other waste material.

Hence, the objective is achieved.

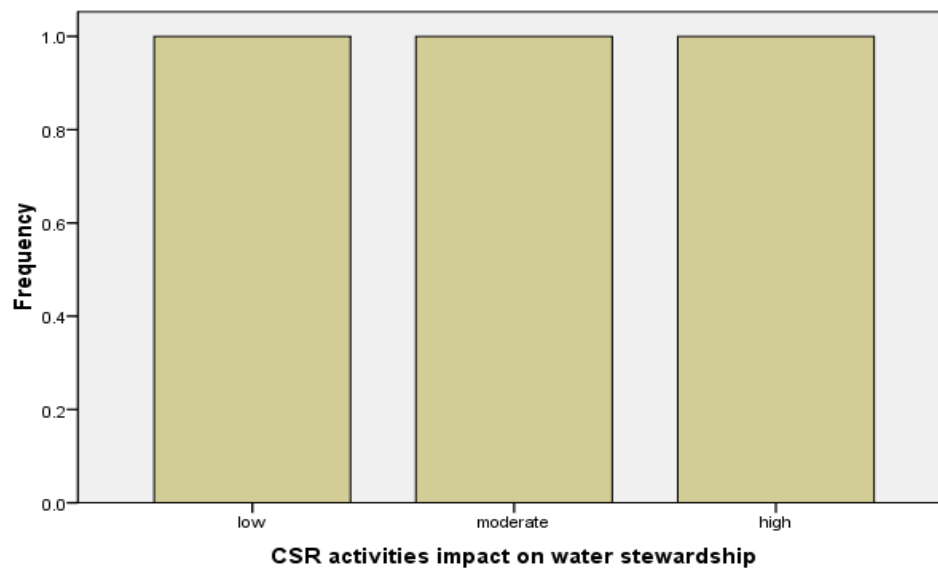
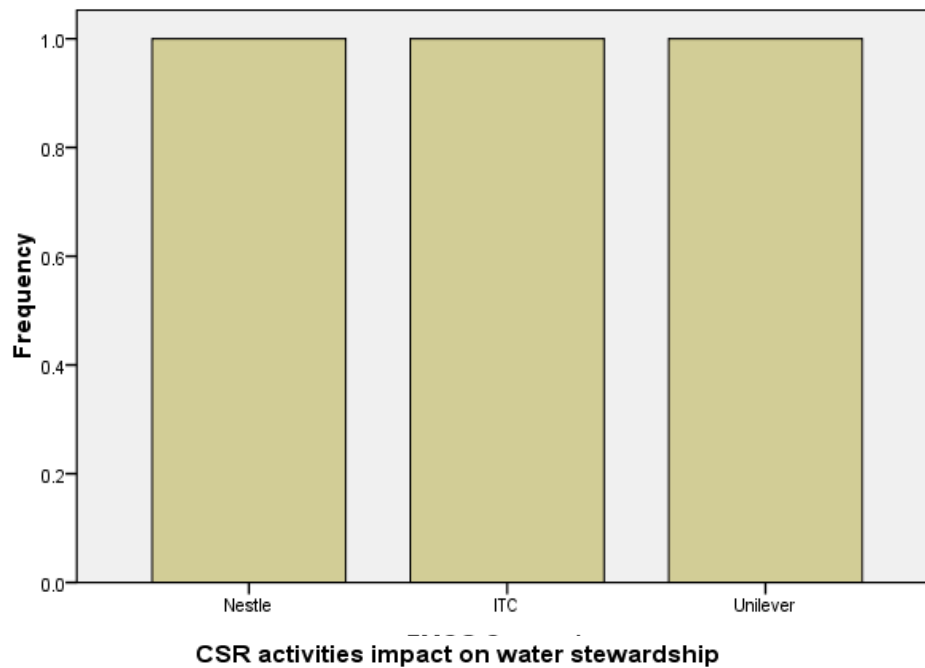
Table 7.7

Frequency of each company's CSR impact on water stewardship programs

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on water programs

	Frequency	Percent	Valid Percent	Cumulative Percent
Low	1	33.3	33.3	33.3
Moderate	1	33.3	33.3	66.7
High	1	33.3	33.3	100.0
Total	3	100.0	100.0	



Findings:

The above frequency table shows the comparison between the brands regarding their contribution to the water conservation projects.

- According to the figure, Unilever;s commitment towards the water programs has been the highest. It has initiated various water conservation projects which have been briefly explained in the previous chapters
- Followed by it, ITC has been at the middle in the list and has shown its commitment towards water plans.
- Lastly, Nestle has been at the bottom in its commitment towards water preservation plans and has worked more towards other areas.

Hence, the objective is achieved.

Table 7.8

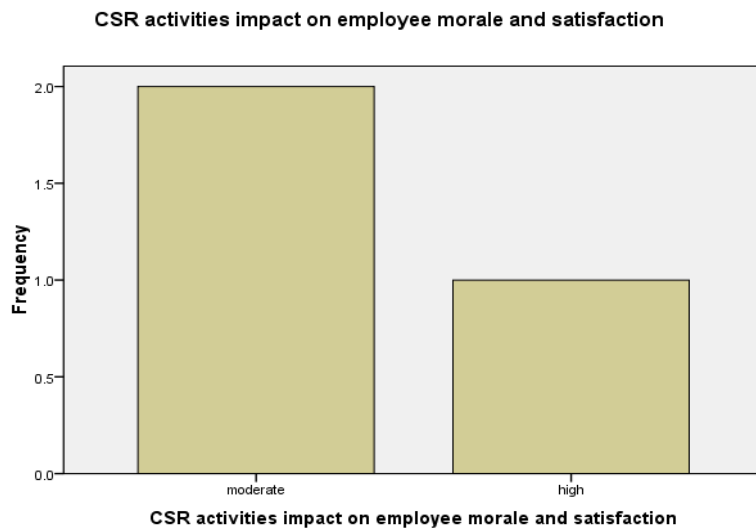
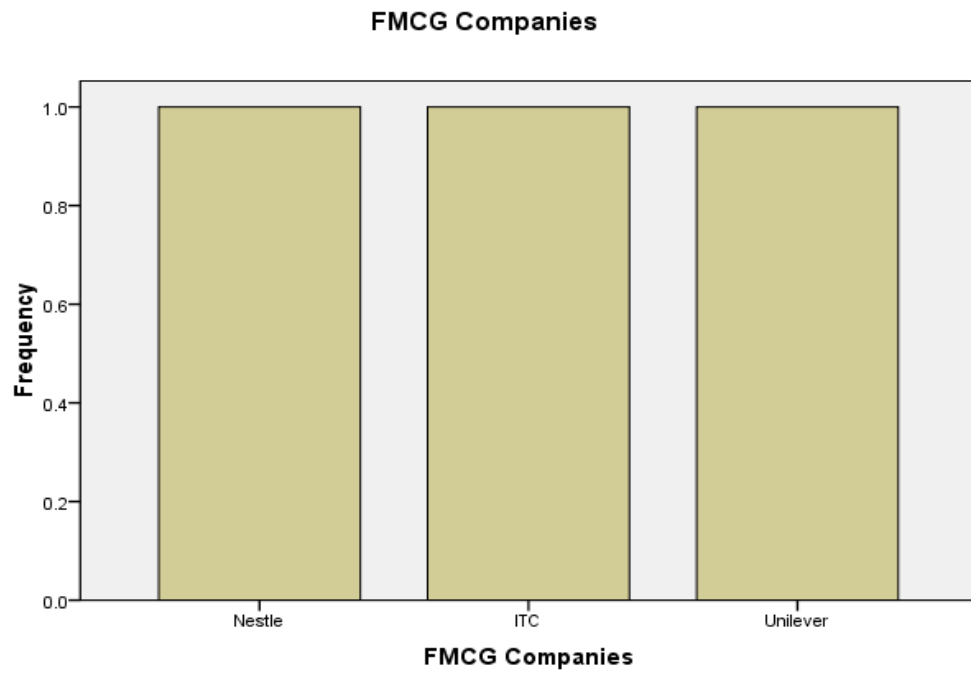
Frequency of each company's CSR impact on employee satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on employee satisfaction

	Frequency	Percent	Valid Percent	Cumulative Percent
Moderate	2	66.7	33.3	66.7

High	1	33.3	33.3	100.0
Total	3	100.0	100.0	



Findings:

The given table highlights the distribution of companies in the dimension of employee satisfaction. Employees who are the backbone of any business, must receive the highest attention and all other outcomes of the business depends on its people and if they are not happy, then business might not be successful.

- The frequency table shows that Unilever has the highest programs and plans for its employees, as compared to the other two.
- Both NESTLE and ITC have been moderate in their policies towards their employees and staff.

Hence, the objective is achieved.

Table 7.9

Frequency of each company's CSR impact on education and skill development

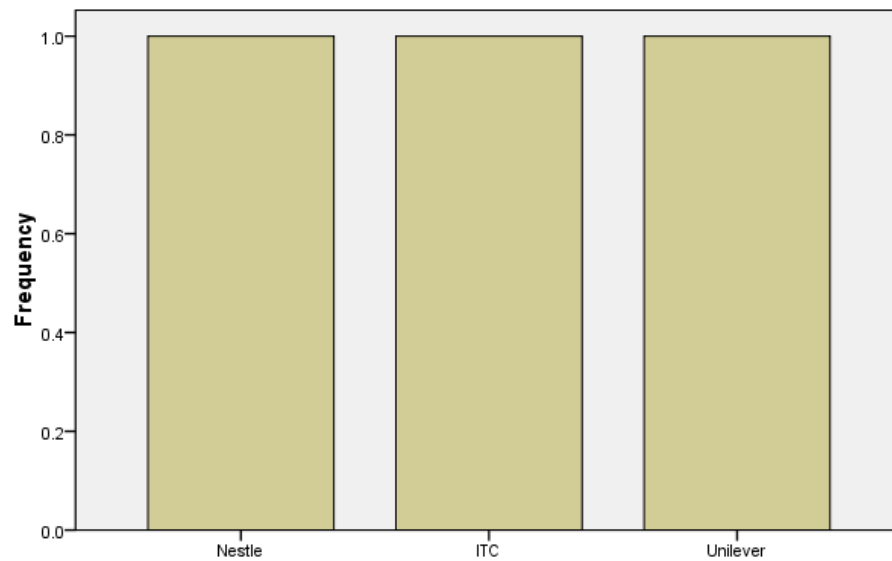
	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on education and skill development

	Frequency	Percent	Valid Percent	Cumulative Percent
Moderate	2	66.7	33.3	66.7

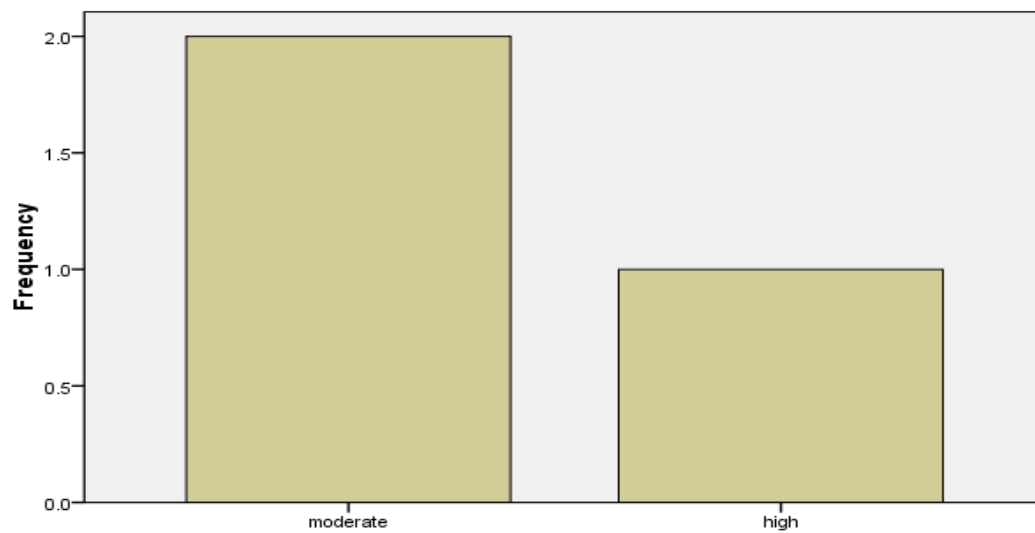
High	1	33.3	33.3	100.0
Total	3	100.0	100.0	

FMCG Companies



FMCG Companies

CSR activities impact on education



CSR activities impact on education

Findings:

- Unilever is one of those companies who have initiated the highest activities and programs for the learning purposes from the implementation of new learning methods to supplying of infrastructure to aim at reducing dropout rates. It works for a better education culture.
- The other two companies also consider education an important tool for development and work neutral towards it.

Hence, the objective is achieved.

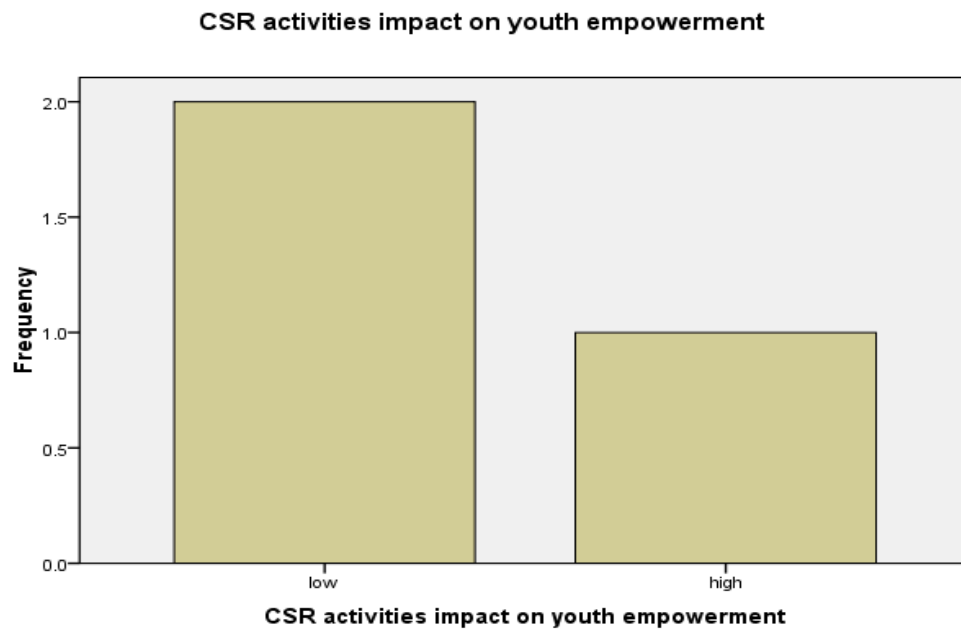
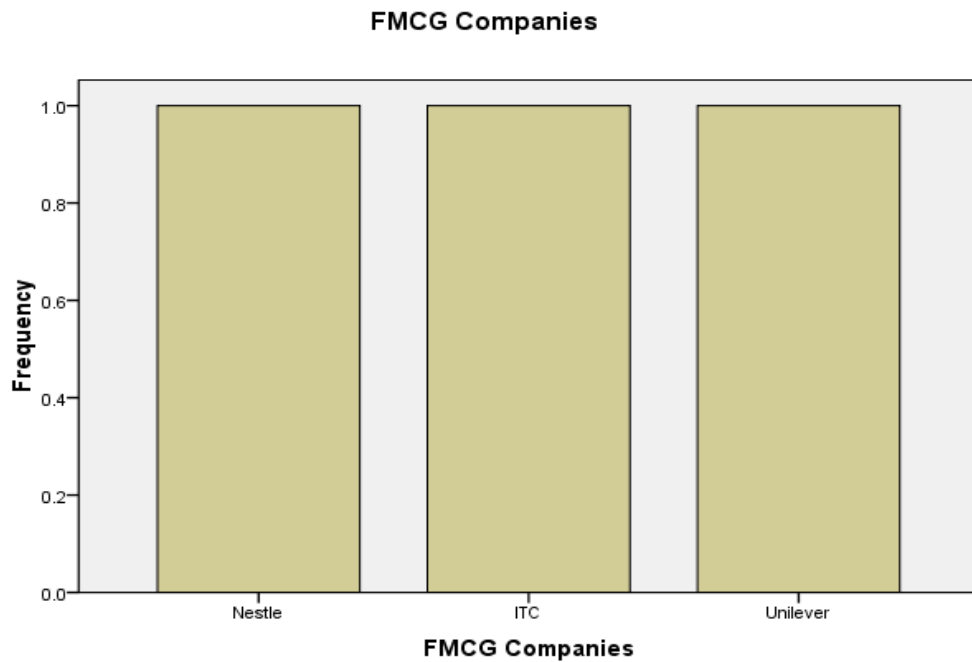
Table 7.10

Frequency of each company's CSR impact on youth empowerment

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on youth empowerment

	Frequency	Percent	Valid Percent	Cumulative Percent
Low	2	66.7	33.3	66.7
High	1	33.3	33.3	100.0
Total	3	100.0	100.0	



Findings:

The above frequency table highlights how importance has been given to the youth by the companies. Youth as a population is very important for an economy as it is the future of the nation.

- According to the table, Nestle has topped the list as it considers Youth empowerment as a strong and important CSR area which needs more attention.
- The other two companies (Unilever and ITC) are at the low range in its Youth empowerment dimension, calling for improvisation and new initiatives.

Hence, the objective is achieved.

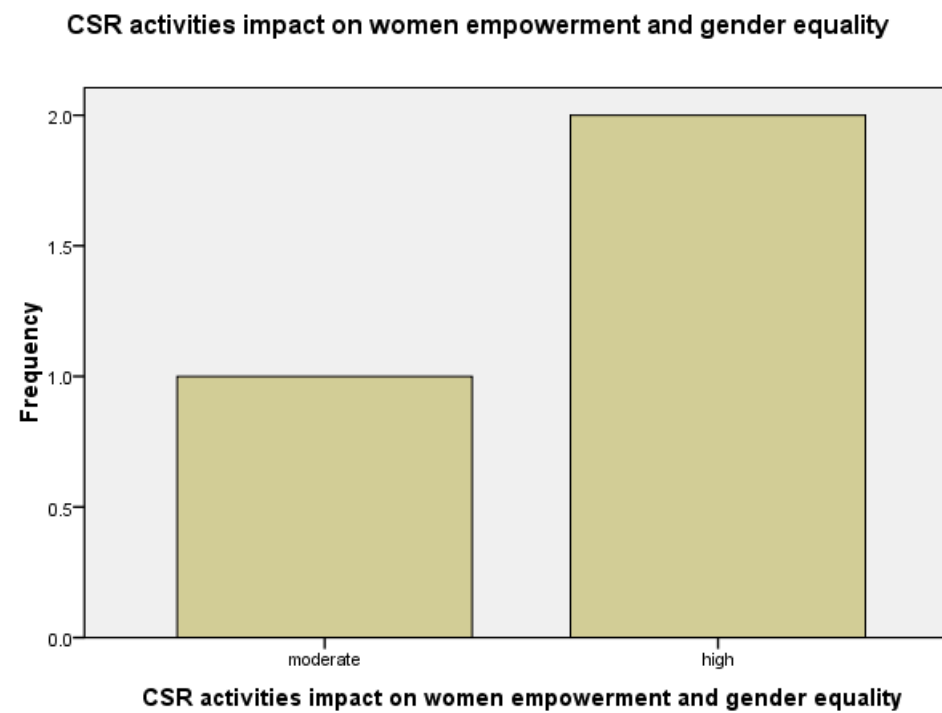
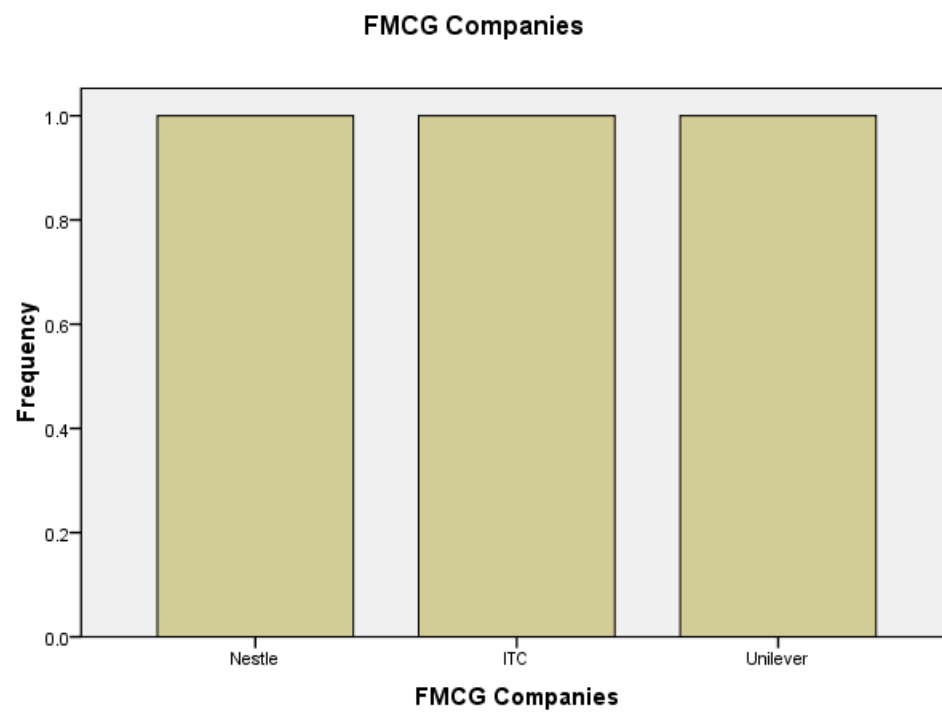
Table 7.11

Frequency of each company's CSR impact on women empowerment and gender equality

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on women empowerment and gender equality

	Frequency	Percent	Valid Percent	Cumulative Percent
Moderate	1	33.3	33.3	33.3
High	2	66.7	66.7	100.0
Total	3	100.0	100.0	



Findings:

- Unilever and ITC have been at the highest in their policies towards women and gender equality, their reports shows how they have achieved the 50% women representation and had given equal opportunities to all the genders.
- Nestle has been at the middle range as compared but it also promotes equality and women strengthening

Hence, the objective is achieved. .

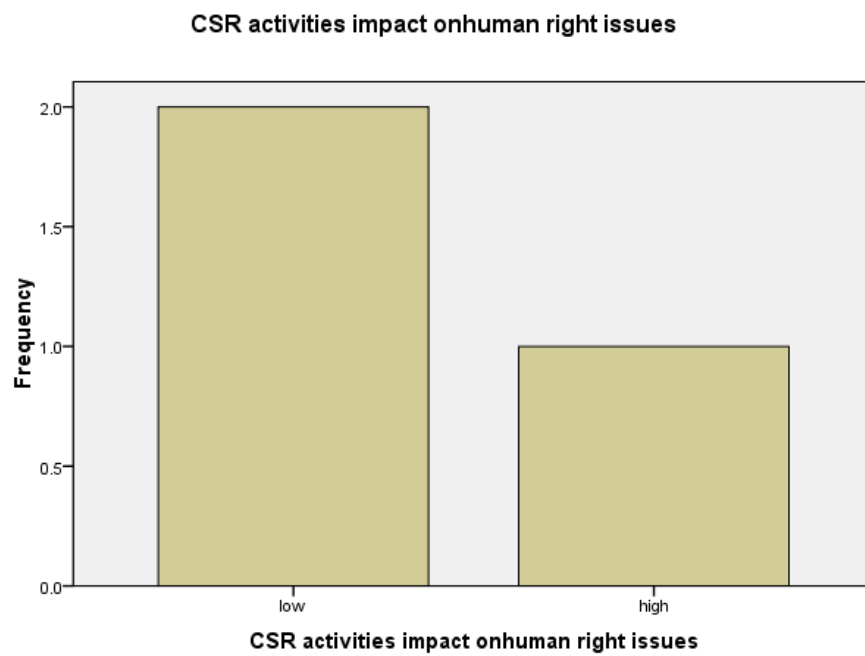
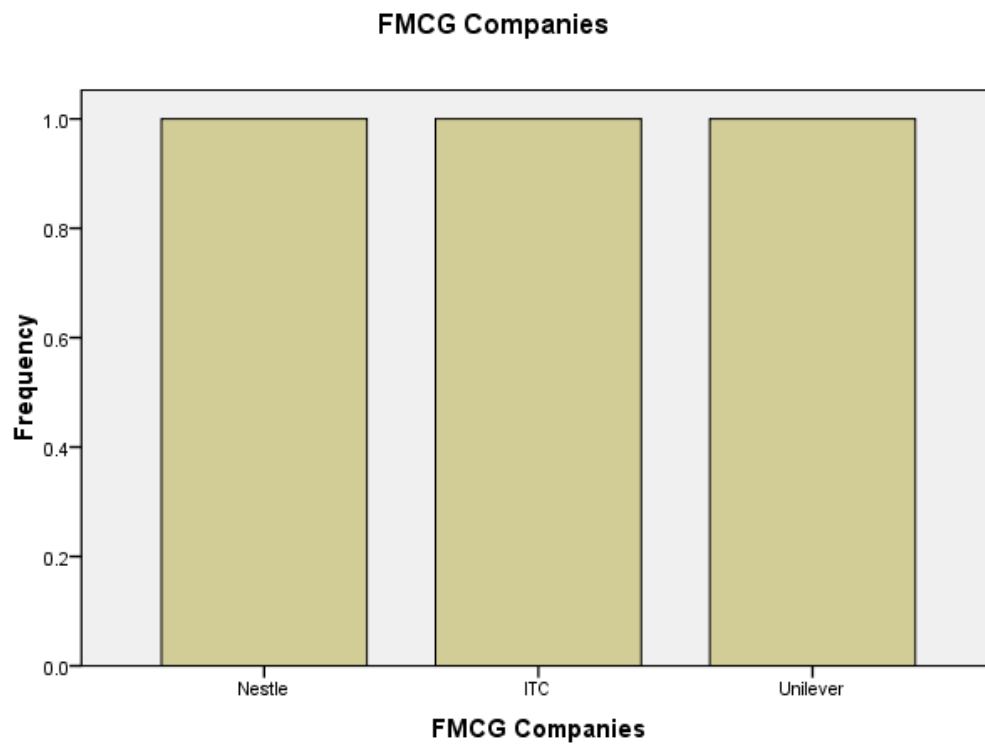
Table 7.12

Frequency of each company's CSR impact on human rights

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on human rights

	Frequency	Percent	Valid Percent	Cumulative Percent
Low	2	66.7	66.7	66.7
High	1	33.3	33.3	100.0
Total	3	100.0	100.0	



Findings:

- Again, Unilever has topped the list by giving maximum attention to it as compared to the other two. It has initiated several equality programs for creating a peaceful society devoid of many problems.
- Both other two companies have rarely contributed to the human rights aspect.

Hence, the objective is achieved.

Table 7.13

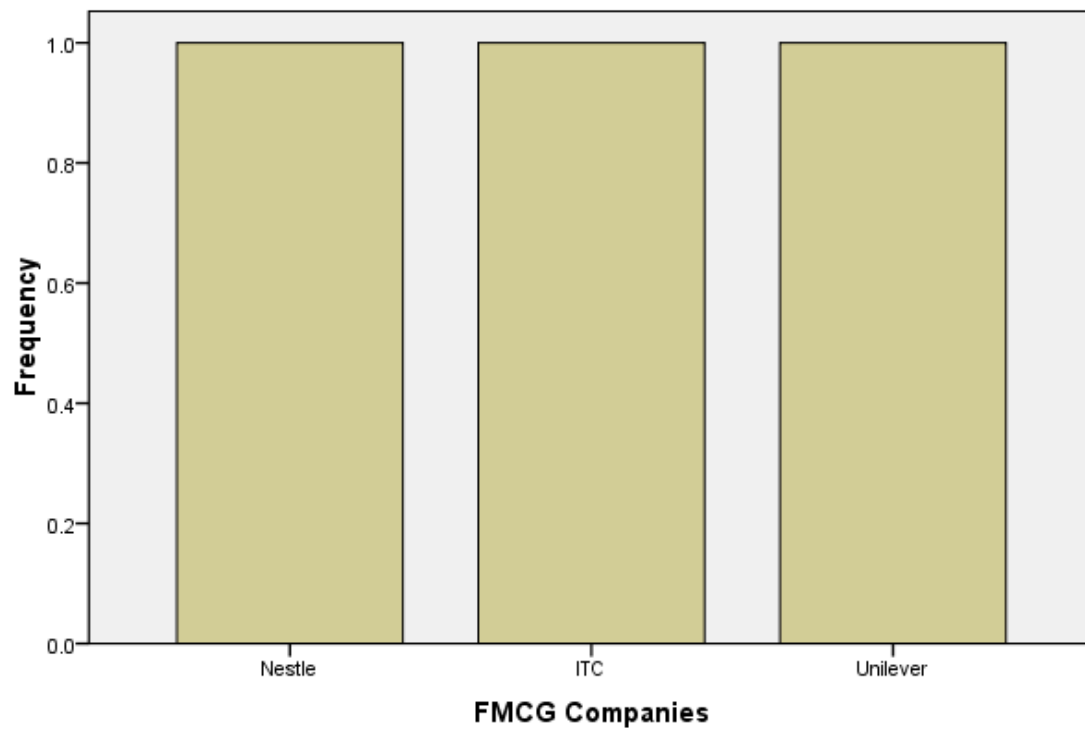
Frequency of each company's CSR impact on rural development

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

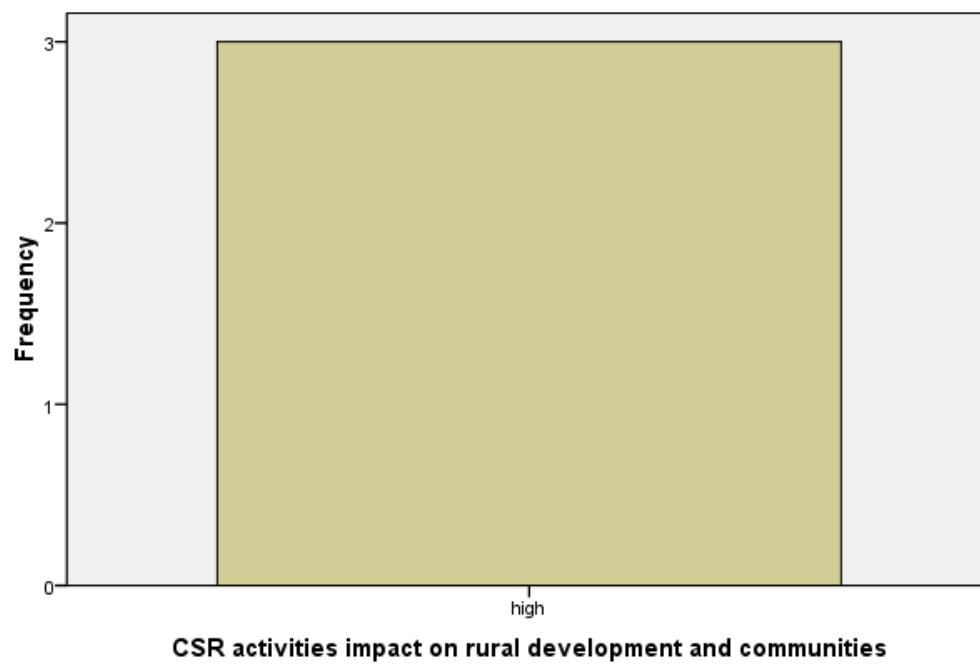
CSR impact on rural development

	Frequency	Percent	Valid Percent	Cumulative Percent
High	3	100.0	100.0	100.0

FMCG Companies



CSR activities impact on rural development and communities



Findings:

The above table highlights the company's policies and programs for the rural and marginalized communities. Uplifting the underprivileged population is seen as very important by these following companies and they work committedly towards it.

- All the three companies have topped the list with equal efforts in initiating the programs for the vulnerable societies.

Hence, the objective is achieved.

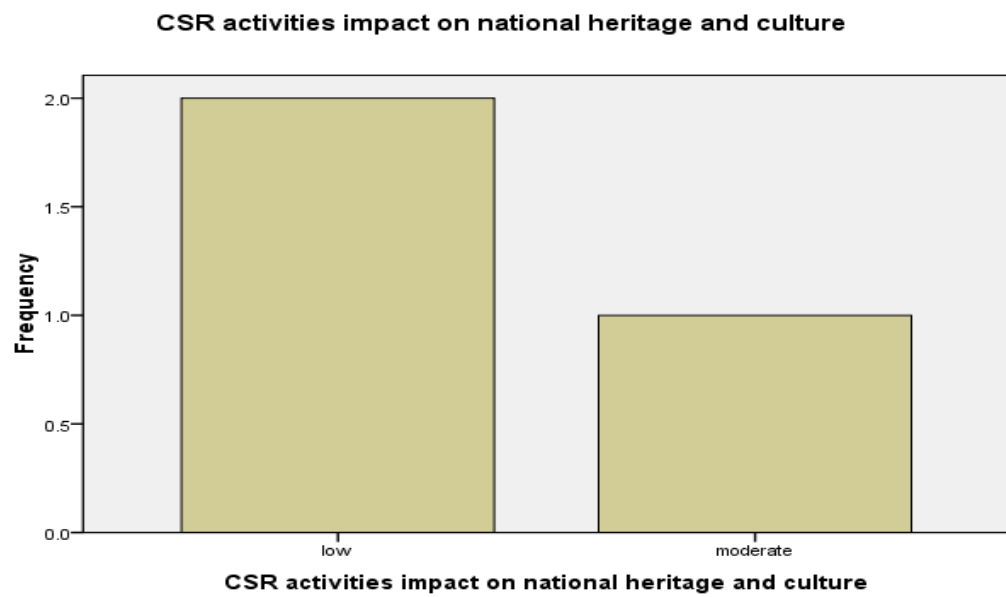
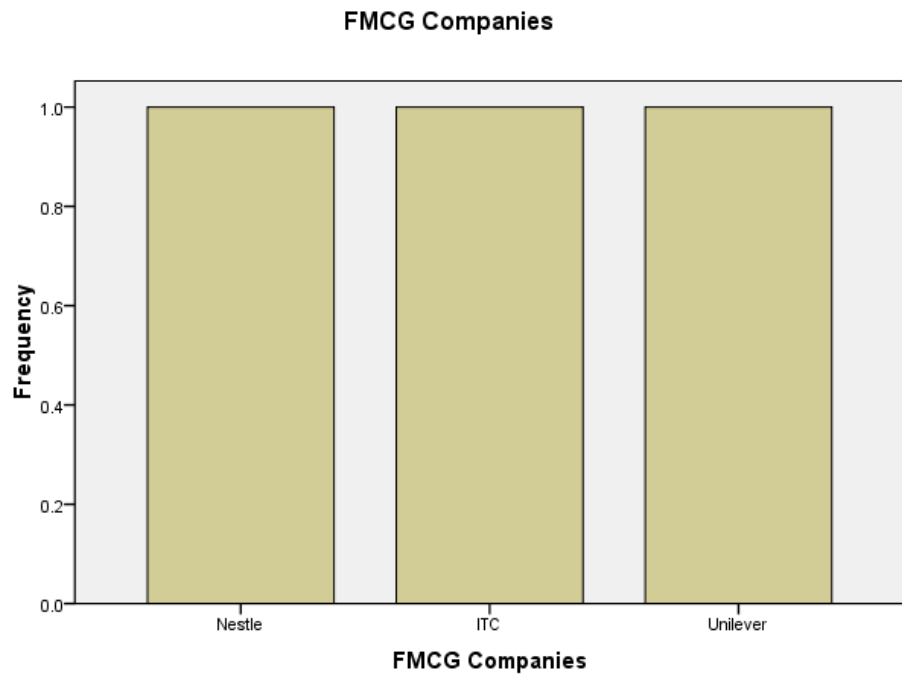
Table 7.14

Frequency of each company's CSR impact on National Heritage and Culture

	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on National Heritage and Culture

	Frequency	Percent	Valid Percent	Cumulative Percent
low	2	66.7	66.7	66.7
moderate	1	33.3	33.3	100.0
total	3	100.0	100.0	



Findings:.

- ITC being at the middle level works towards India's culture as it promotes small farmers, artisans and conducts workshops for better informational society.
- The other two brands are at the lowest range in this aspect.

Hence, the objective is achieved.

Table 7.15

Frequency of each company's CSR impact on disaster management

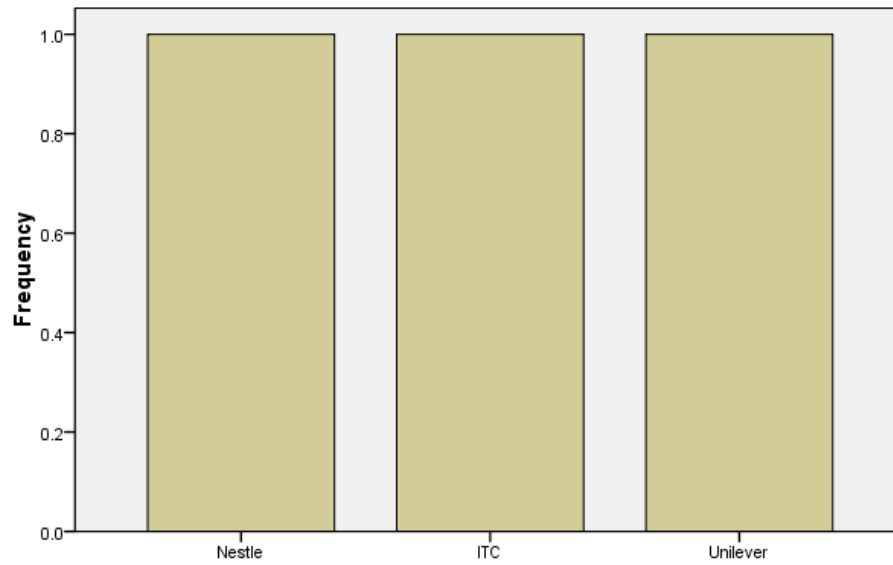
	Frequency	Percent	Valid Percent	Cumulative Percent
Nestle	1	33.3	33.3	33.3
ITC	1	33.3	33.3	66.7
Unilever	1	33.3	33.3	100.0
Total	3	100.0	100.0	

CSR impact on disaster management

	Frequency	Percent	Valid Percent	Cumulative Percent
No impact	1	33.3	33.3	33.3
low	1	33.3	33.3	66.7
moderate	1	33.3	33.3	100.0

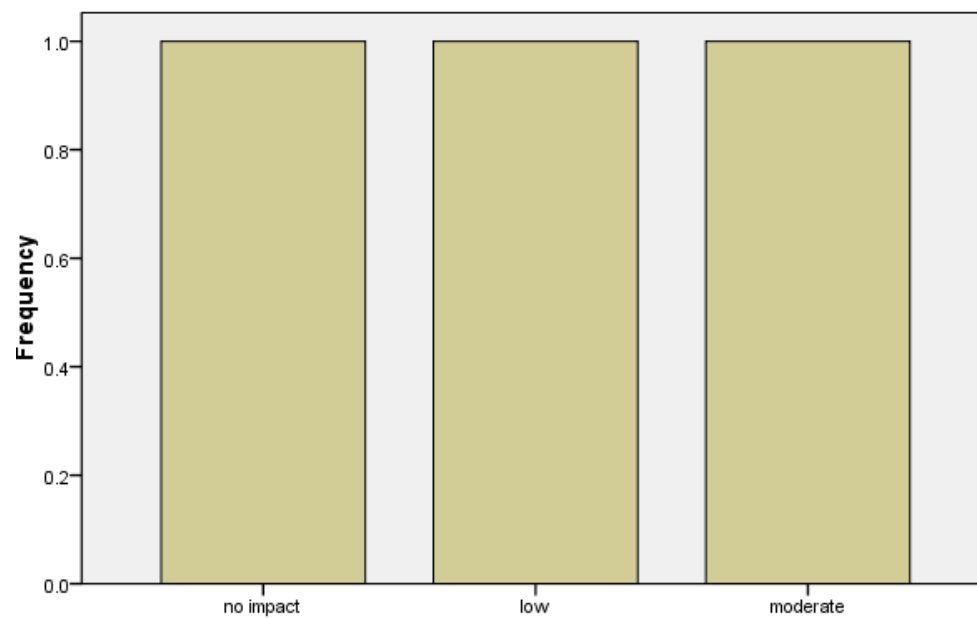
Total	3	100.0	100.0	
--------------	----------	--------------	--------------	--

FMCG Companies



FMCG Companies

CSR activities impact on disaster management



CSR activities impact on disaster management

Findings:

The above frequency table shows the insights on the disaster management relief by the companies.

- According to the frequencies, ITC is at the middle range of the table followed by the lowest figure by Unilever.
- Nestle has no programs or initiative on this aspect.

Hence, the objective is achieved.

Chapter 8

REFERENCE MATERIAL

Sidhu, N. (2017). **Management perception towards social responsibility with special reference to software companies in Bengaluru a case study.** <http://hdl.handle.net/10603/245166>

Kumar, P. (2019). **Corporate attributes and their impact on CSR practices.** <http://hdl.handle.net/10603/387663>

Beena, D (2021). **The Integration of CSR with Business Strategy A study of FMCG Companies in India.** <http://hdl.handle.net/10603/343562>

Soni, V (2023). **Role of Corporate Social Responsibility CSR in Enhancing Brand Equity of Companies in FMCG Industry.** <http://hdl.handle.net/10603/468402>

Shivani Raheja (2019). **A Study on Consumers Perception about Corporate Social Activities Responsibilities with Special Reference to Companies in the FMCG Sector of India.** <http://hdl.handle.net/10603/235743>

Vijayalaxmi C. (2018). **Brand Building Through Corporate Social Responsibility: An Evaluation of Indian Experience.** <http://hdl.handle.net/10603/202294>

Shrivastava, D and Banerjee, A (2022). **FMCG Giant Hindustan Unilever Limited (HUL) Case Study.**
<https://startuptalky.com/success-story-hindustan-unilever-limited/>

Bechet, M and Thomas, L and Siestrup, Uhl and Henk-Jan Hulshof (2014). **Unilever Case Study: Implementing the Real-Time, Digital Enterprise to Unlock Value and Enable Business Growth.**
https://www.researchgate.net/publication/367541929_Supply_Network_50_Project

Est, A (2016). **Corporate Social Responsibility: Nestlé Case Study.**
https://www.academia.edu/30969002/Corporate_Social_Responsibility_Nestlé_Case_Study

Thaker, H. (2020). **The Complete Report on CSR activities of Nestle**
<https://thecsrjournal.in/the-complete-report-on-csr-activities-of-nestle/>

KPMG. **Impact Assessment of Nestlé's CSR projects.**
https://www.nestle.in/sites/g/files/pydnoa451/files/2024-05/Impact-Assessment_Phase-1-05M24.pdf

India CSR (2025). **ITC Limited: Pioneering Sustainability 2.0 Ambitions**
<https://indiacsr.in/itc-limited-pioneering-sustainability-2-0-ambitions/#:~:text=Its%20Sustainability%202.0%20ambitions%2C%20outlined%20in%20the%202024,that%20business%20success%20and%20social%20good%20can%20align.>

Fernandes, K.(2021). The Ultimate Report on CSR of ITC
<https://thecsrjournal.in/itc-csr-report-india/>

Bharti, A (2020). A case study of Marketing Strategy of ITC LMT.
<http://hdl.handle.net/10603/296463>

Kritika and Vishal Anand (2022). Strategic Corporate Social Responsibility Initiatives of ITC Ltd. <http://publications.rayatbahrauniversity.edu.in>

Agarwal, A (2024). Company Law and Companies Act .
<https://lawbhoomi.com/companies-act-notes-and-study-materials/>

Vinayak, C (2024). Companies Act, 2013: A Decade of Transformative Impact on India's Corporate Landscape.
<https://www.caclubindia.com/articles/companies-act-2013-decade-of-transformative-impact-on-indias-corporate-landscape-51251.asp>

Raheja, S (2017). CSR Activities and Responsibilities by FMCG Companies of India: A Consumer Perspective. <http://hdl.handle.net/10603/235743>

Singh, V (2016). ROLE OF FMCG COMPANIES TOWARDS CORPORATE SOCIAL RESPONSIBILITY (INDIAN INSIGHT).
https://www.academia.edu/26557176/ROLE_OF_FMCG_COMPANIES_TOWARDS_CORPORATE_SOCIAL_RESPONSIBILITY_INDIAN_INSIGHT

Stobierski, T (2021). **What Is Corporate Social Responsibility? 4 Types.**
<https://online.hbs.edu/blog/post/types-of-corporate-social-responsibility>

Amanda McGrath (2023). **What is Corporate Social Responsibility**

Anjan Kumar Roy Choudhury (2019). **Corporate Social Responsibility (CSR) in India: A Case Study with reference to Reliance Industries Limited**

Education, CSR. (2024) **.Historical Evolution of CSR in India. From Philanthropy to Corporate strategy.**
<https://csr.education/fundamentals-of-csr/evolution-csr-india-philanthropy-to-strategy/>

Heyward, C. (2020), **The Growing Importance Of Social Responsibility In business.**
<https://www.forbes.com/councils/forbesbusinesscouncil/2020/11/18/the-growing-importance-of-social-responsibility-in-business/>

Gosain, P. (2022). **Green Marketing mix as a CSR tool**
<http://hdl.handle.net/10603/389184>

Vijayanand N (2020). **A Study on Brand Loyalty and Involvement Level of Selected Consumers of Nestle Chocolates in Chennai City TamilNadu.**
<http://hdl.handle.net/10603/306309>

Gupta and Neema (2021). A Comparative Study of Managerial Skills in the FMCG Sector With Special Reference to ITC And HUL.
<http://hdl.handle.net/10603/326896>