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## STUDY OF HUL'S INITIATIVES UNDER 'UNILEVER SUSTAINABLE LIVING PLAN'

Abhinna Srivastava and Vineet Singh

Assistant Professor , Department of Commerce , Guru Ghasidas Viswavidyalaya, Bilaspur (C.G)

**Abstract:-** In ever changing world scenario, 'Environmental degradation and Loss of ecosystem services' made the word 'Sustainable Development' a sine-qua-non of corporate world. 'Sustainable Development' is a mode of human development in which resources are used to meet human needs and to preserve the environment, focus is given not only to present needs but also for ensuing generation, and it has become a core issue to the strategic decision making of every organisation. Indian corporate world has always laid importance on social and environmental responsibilities. It does not limit itself with contributing only in economic growth of the country but it provides a number of benefits to the society without harming our ecological system, natural resources and man power. Though a number of articles, research papers, models and frameworks have been made & published yet we do feel a dearth of real life example of initiatives taken by leading organisations, this paper aims at to provide the most recent contributions in this regard, taken by The Hindustan Unilever Limited (HUL), a leading company in India and known for FMCG (Fast Moving Consumer Goods).

**Keywords:** Sustainable Development, HUL, CSR, Sustainable Living Plan,

### INTRODUCTION:

Hindustan Unilever Limited (HUL) is a subsidiary of Unilever which is currently India's largest FMCG (Fast Moving Consumer Goods) Company. As per recent report, every two out of three Indians are in touch with the company. More than 18 bands of HUL, are in the list of the 100 most trusted brands in India. "Growth Doesn't have to Cost the Earth" and "Adding vitality to life" is the main mission of HUL. Hindustan Unilever Limited is currently witnessing its presence in more than twenty divergent categories in the product of Foods & Beverages and Home & Personal Care. The company secures daily need for nourishment, health & hygiene, and caring persons, with the help of its quality brands. It helps people experience and feel good, look good and get pleasant experience out of their life. As per its report for the financial year 2011– 2012, the Company has over 16,700 employees, 1500 managers, 38 manufacturing locations and has an annual turnover of around Rs. 21,736 crores and more.

### OBJECTIVES OF THE STUDY

To find out whether HUL has adopted CSR mechanism  
To find out what are the different functions are performed by HUL to fulfill its Sustainable Living Plan  
To study whether it's 'Sustainable Living Plan' helping the HUL in terms of brand building, employee turnover and customer loyalty.

### RESEARCH DESIGN & METHODOLOGY

The study is based on the secondary data. The Hindustan Unilever Limited's Sustainable Living Plan data were taken up from annual Report of the company, for this study. The data were collected from the websites of the HUL, different journals, news papers etc. The idea to take up HUL Sustainable Living Plan for study was that might be HUL has implemented Sustainable Development mechanism and may be they are enjoying the fruit of Sustainable Development. Data have been analyzed with the help of Statistical tools like Mean, Percentage and IT tools like MS Excel, MS Word.

## PREVIEW OF SUSTAINABLE DEVELOPMENT

'Sustainable Development' is a mode of human development in which resources are used to meet human needs and to preserve the environment; the focus is given not only to present needs but also for ensuing generation. In this way organizational goal is achieved through fulfillment of the goal of each individual.

### About Unilever Sustainable Living Plan

Unilever launched its Sustainable Development Program under the name of 'Sustainable Living Plan' in on November 15, 2010 at four cities namely London, Rotterdam, New York and New Delhi simultaneously, to secure company growth with mounting positive contribution to society and environment by reducing environmental degradation. In 2012 Hindustan Unilever Limited has been placed in India's first environmental friendly equity index 'BSE's Greenex'.

Sustainable Living Plan of Unilever targets on following three major goals to be achieved by the year 2020

- To help more than one billion people to improve their health and well-being.
- To halve the environmental impact of their products
- To Source 100% of their agricultural raw materials through sustainable resources.

### Analysis and Interpretation:

Unilever Sustainable Living Plan mainly aims at following areas;



Figure1: Source: <http://www.hul.co.in/>

### 1.Improving Health and Well-Being

By 2020 the company intends to help more than a billion people take action to improve their health and well-being and it also estimate that it helped 224 million people so far take action to improve their health and well-being. (USLP-Progress report 2012)

#### Creating Health and Hygiene Practices

Through '*Khushiyon Ki Doli*' (Caravan of Happiness), a rural outreach programme, HUL aims at reducing Diarrhoeal and Respiratory disease through hand washing, Lifebuoy took hand washing messages to far-flung areas, reaching out to 47 million people in 2011-12 while 30million people directly in 2010-11. The Company has also joined hand with UNICEF and Rural Development Department of M.P government, to put into operation its hygiene awareness programmes in more than 5,000schools in the year 2012, which further reinforced the Lifebuoy handwash programme in the state. In this way a contribution to the global target of reaching billion consumers by 2015, across Asia, Africa and Latin America.

#### Providing Safe Drinking Water

As many as 45 million (HUL India progress report 2012) people in India have achieved access to safe and pure drinking water from "Pureit", an in-home water purifier which provides water 'as safe as boiled water', without consuming

electricity. The water purifier Pureit is affordable to common people, starting at a price as low as Rs. 900. It provides approximately four litres of safe drinking water for about Rupee one only. Globally, Unilever aims to reach 500 million people through Pureit in-home water purifier by 2020.

HUL helped 224 million people to take action to improve their health and well-being. (2012)

119 million people with Lifebuoy;  
45 million with safe drinking water from Pureit;  
49 million with toothpaste brands; and  
11 million through Dove Self-Esteem programmes.

### **Improving Nutrition**

After Nutrition Enhancement Programme began in 2003, HUL has globally made radical progress on providing nutrition to its consumers by lowering down the salt level, saturated fat, trans fat and sugar in its product. Company strictly complies with providing nutritional information on its food and beverage brand labels. It has also aimed to help consumers to adopt a healthier choice. Participating in a front of pack labeling program namely 'The Choices Programme' HUL has paved the way in ensuring nutrition to consumers. More than 60% of HUL major food and beverage brands comply with the guidelines as against the global target of 100% by the year 2015. HUL has also reduced salt levels to an interim target of 6g per day in the year 2010, and further aims at reducing it up to 5g a day.

### **HUL globally aims;**

To reduce salt level to meet the target of 5g salt per day between 2015 and 2020 which is currently 6g per day.  
To trim down Saturated Fat at less than 33% proportion as a of total fat.  
To lowering down Trans fat of its entire portfolio at 0%.  
To reduce Calories from its entire children's ice creams.  
To comply with Providing Healthy Eating Information and GDA (Guideline Daily Amounts) on the face of the pack of all its products by the year 2015.

### **2.Reducing Environmental Impact**

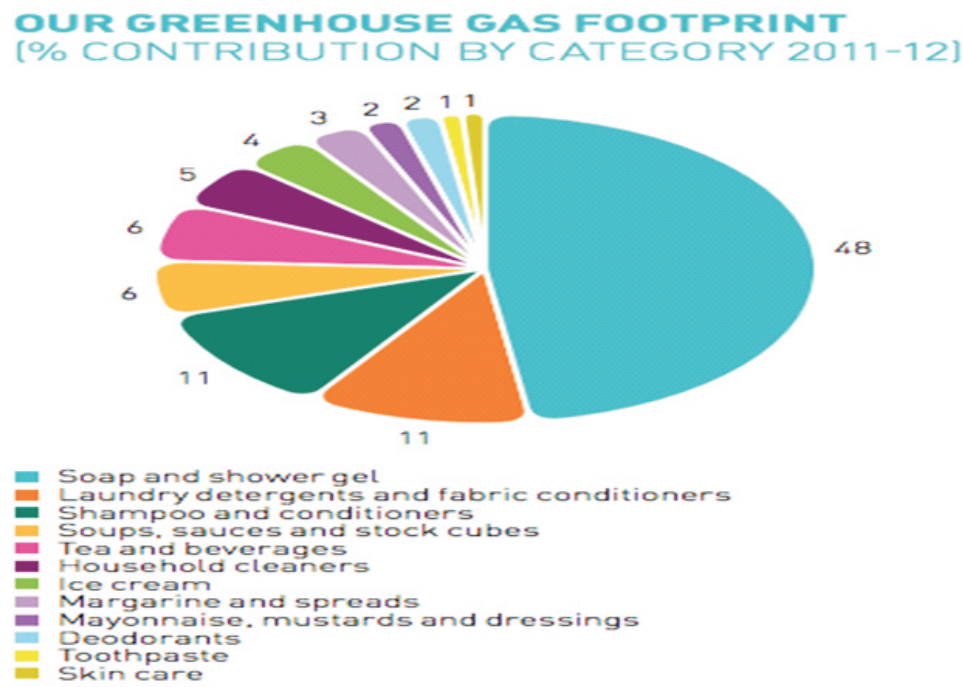
By 2020 HUL's goal is to halve the environmental footprint of the making and use of its products as it grows its business. Company's greenhouse gas and waste impacts per consumer use have reduced and water impact per consumer use has remained broadly unchanged. (USLP-Progress report 2012)

### **Reducing Emission of Greenhouse Gases**

HUL has also made a significant achievement to minimize emission of Greenhouse Gases (GHG) in course of its production and its usage. Against Global target in 2012, to reduce it by 15% in comparison to the year 2009, the company is on track to achieve it. The company started the process of reformulation of its products 2009. A significant reduction has been achieved with the reduction in detergent powders of Sodium Tri Poly Phosphate, an ingredient that neutralizes the impact of water hardness.

In India, as against 2010 the Company reduced CO<sub>2</sub> emissions of its production by 9.9% and by 14.7% as compared to the year 2008. Installation of biomass boilers at Puducherry, Nasik, Chiplun, Mysore and Goa helped the company to reduce emission of CO<sub>2</sub>.

Figure 2; HUL GHG Footprint Contribution by category 2011-12



Source: <http://www.hul.co.in/>

#### Water

HUL has left no stone unturned to reduced water usage in the process of manufacturing by 10.1% as against the year 2010 and by 21.5% as against 2008. The company has made tremendous efforts in implementation of Rainwater harvesting in more than 50% of units of production, on the other hand it is also working for water conservation in those areas facing scarcity of water. With the help of water conservation projects the company is expected to harvest hundred billion liters of water by 2015 with an aim to 50% rise in crop production. In May 2011, the company launched the India Water Body, an initiative to tackle challenge of water scarcity in India by reducing water consumption in production process and also by producing some developed product innovation like surf excel quick wash formula. The company also aims to save more than 50 billion liter of water by the year 2015.

#### Wastage Management through Plastic Recycling Project

Under "Go Recycle" a project started in July 2011 with Bharti Retail, HUL intent to encourage more and more consumers to recycle used plastic containers, bottles, pouches etc. for some promotional offers like free gift coupons and achieved very positive feedback thereon. The company's waste impact per consumer as a result of has reduced by around 7% since the ULIP was launched.

#### 1. Enhancing Livelihood

By the year 2020, HUL is intended to enhance the livelihoods of hundreds of thousands of people as it grows its business. The company trained around 450,000 small holder farmers so far. (USLP-Progress report 2012).

#### Sustainable Sourcing

HUL has aimed at generating resources through sustainable sources for most of its agricultural products, for its product Kissan Ketchup in India, 70% of tomatoes used were from sustainable sources of the country. It has selected a group of tomato producing farmers to encourage fewer usages of water, fertilizer and pesticides in course of production. Similarly its more than 16% of tea is sourced in India are from sustainable sources only.

### **Better Livelihoods**

The Company has launched Project Shakti in 2010-11 to provide an exorbitant support to women entrepreneurs in small and remote villages in India and Shaktimaan initiative to provide bicycle for men, on the other hand mobile vending operations under the name of kwallity wall has assured more than migrated workers across the country. HUL has recently partnered with the State Bank of India (SBI) to launch banking services to low-income groups people from rural areas. This project was initiated in Maharashtra and Karnataka. The company also renders its services to the community, with targeting more and more emphasis on health & hygiene education, women empowerment, water and wastage management and providing better livelihood to the countrymen. The company is also involved in education and rehabilitation of needy children. It has positively responded to natural disasters, for instance after the tsunami devastation in South India in the year 2004 with a number of relief and rehabilitation efforts were made.

### **SWOT Analysis**

#### **Strength**

HUL having a vast distribution network of over 3400 distributors, 16 million plus outlets helps middlemen to maintain buffer stock and retailer to keep a verity of quality product. The new sales organization named 'One HUL' brings "Household and Personal Care" and foods distribution networks together, thereby aligning all the units towards the common goal of achieving success, having aim at sustainable development. 'The Unilever sustainable living Plan' is an innovative and successful initiative of Unilever and of course HUL has contributed a lot to meet its, social responsibility and played a crucial role in sustainable development. Creating good hygiene culture among consumer, sourcing from sustainable sources and its effort for encouraging entrepreneurial skill among socio-economically backward classes may be termed as its strength. Under Shakti Project, the company targets to enhance Shakti entrepreneurs up to 75,000 by the year 2015 as compared to 45,000 in 2010.

#### **Weakness**

'Unilever Sustainable Living Plan' is claimed as a sustainable development initiative by the company yet it is not clear in its vision that what percentage of profits after tax (PAT) has to be allocated to its maximum outreach efforts. The company's strong brand value resulted in to hike in price even if cheaper availability of raw materials. Though project Shakti a rural sales and women empowerment programme is its award-winning project, we feel more Shakti ammas, need to be involved in its selling and distribution activities in such areas instead of increasing number of shaktimaans. Its thermometer factory at Kodaikanal is contaminating environment by causing mercury poisoning. Company's inability to materializing its strategies at appropriate time may also be highlighted as one of its weakness.

#### **Opportunities**

HUL is the top FMCG producing company in India and its Sustainable Living Plan is rapidly fulfilling objectives towards social responsibility and being environment friendly. One the other hand, India is the one of the largest country and the company has a chance to win the heart of the countrymen by such an initiative. Since most of its brands like lifebuoy handwash, TRESemmé shampoo conserving water, sustainable sourcing for Kissan Tomato ketchup etc. are fulfilling sustainability, the company appears to be well-placed for future FMCG Growth in the country, with a reach out more than 80% of 207 million households in the country India.

#### **Threats**

The company has a strong threat from some leading FMCG company in India like ITC, Procter & Gamble Hygiene & Health Care Ltd., Tata group, Dabur India Ltd etc. Where ITC, by reducing its dependency on cigarettes business and focusing on other areas such as foods and agricultural products, stationery product, hotels, etc, has proved its contribution towards social responsibility, other companies like Tata group, Procter & Gamble, Dabur India Ltd etc. are becoming furthest threat to HUL's sustainability.

#### **Research Findings**

It was found that plenty of efforts have been made under Sustainable Living Plan by HUL to adopt the CSR mechanism. It has shown a clear Vision to fulfill the true concept of Sustainable Development. It understands that natural resources are limited so it utilizes these resources wisely.

With its entrepreneur program creating livelihood prospects for under privileged rural women, Project Shakti has become the strength of HUL.

It was also found that HUL doesn't want to grow at the cost of earth (Fig.1). HUL has taken several majors under 'Sustainable Living Plan' to save the earth. The company is fully aware of environment protection and creating best health and hygiene practice among its consumers

In the second year of its plan, Unilever made steady progress towards its sustainable goals. HUL's 'Sustainable Living Plan' is highly ambitious & award-winning program yet the company has to cover a long way in this regard.

The study has also shown that well mannered implementation of social obligation by HUL creates a positive image in the mind of consumer, which help the company becoming one of the most trustworthy companies in India. So, by continuing its sustainable plan it has an opportunity to be popular even without advertisement, publicity and promotions.

Customers now are more aware of sustainable development Thus, they don't mind to spend extra shilling to make a contribution towards safety of the environment on their own part. So, they become loyal to particular company if it is doing much for the society.

#### CONCLUSION:

Thus from the study of HUL's sustainable development initiative as 'Sustainable Living Plan', it is more apparent that the company tries to give equal opportunity to all of its product whether they are its major brands or new products struggling in market. HUL one the other hand, has also providing livelihood opportunities to small and backward village individuals under the project Shakti. The company believes that true concept of sustainable development is possible by creating good hygiene habits in the consumer and keeping environment pollution free by reducing negative impact on it.. HUL no doubt has made tremendous contributions to sustainable development of the country through its Sustainable Living Plan. It is imperative that HUL by considering the limitations of corporate sectors in sustainable activities, should focus on underprivileged sectors and states instead of its generalized view.

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**Abhinna Srivastava**

Assistant Professor , Department of Commerce , Guru Ghasidas Viswavidyalaya, Bilaspur (C.G)



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