Corporate Social Responsibility in Multinational companies: Comparative case studies between subunits (Nepal and India)

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TABLE OF CONTENT

Contents

LIST OF TABLE

ABSTRACT

This study explores the corporate social responsibility (CSR) strategies of Hindustan Unilever Limited (HUL, India) and Unilever Nepal Limited (UNL, Nepal) using a mixed-methods design of qualitative description and quantitative analysis. It utilized secondary documented data from annual reports, CSR disclosures and sustainability reports and was analyzed using content analysis for first two research question and descriptive statistics, correlation and regression techniques in SPSS for third research questions. The investigation identified clear contextual differences in their CSR orientation. HUL surpassed its statutory mandate of 2% by investing in a diverse and multi-sector portfolio that included climate action, water security, regenerative agriculture, health and livelihood programs, indicating both compliance and altruism at scale, whereas UNL exceeded its 1% requirement by just NPR 25.46 million (1.05%) in localized efforts that included high-altitude waste removal, disaster relief, anti-trafficking campaigns and women's empowerment, showing a localized and targeted approach. Regression analysis also revealed that legal responsibility negatively and significantly influences profitability at HUL; whereas in Nepal it has a positive and significant influence, suggesting that regulatory context influences the financial consequences of compliance-based CSR. UNL faced significant cost and loss consequences with charitable responsibility; and both subsidiaries did not have significantly lower short-term effects from other areas including ethical and environmentally based CSR. In conclusion, this research suggests that the CSR activities of MNCs are shaped by their legal requirements and the wider cross-cultural, institutional, and market context. Therefore, our recommendations for managers are to develop CSR practices which have compliance with legal obligations and are voluntary in nature, develop links between CSR practices and the organization's purpose, and design CSR programs to meet local community's needs. Limitations of the research include: a small sample size, and that much of the data was derived from secondary sources, and future research cites the need for investigation across industry, countries, and longer time horizons, to advance understanding of the strategic and financial implications of CSR in emerging economies.

Keywords: Altruistic, Imperative, Economic Responsibility, Legal Responsibility, Ethical Responsibility and Charitable Responsibility.

SECTION I:
INTRODUCTION

1.1 Introduction

Corporate Social Responsibility (CSR) has now entered the fold of corporate strategy content and planning processes; very important for multinational enterprises (MNEs), as every MNE operates in a sociopolitical-cultural environment. As CSR develops in relation to globalization, it is obvious that CSR is increasingly becoming an expectation, which means that there is pressure for MNEs to contribute to the social and environmental sustainability of their business environments alongside economic objectives, as opposed to voluntary action. CSR is being respected more as a strategic necessity supporting trust, legitimacy, and longer-term stakeholder relations (Barnett, 2019). The global CSR strategy with national instances can be a challenge for firms such as Unilever, which have operations in an MNE spanning both developed and developing economies.

MNCs face different challenges while implementing CSR because of their global operations. Even though they have a generic global CSR approach they operate in a socio-political, cultural environment that shape stakeholder expectations. Husted & Allen (2006) argue that this creates a tension between emphasizing global integration and local responsiveness of CSR practices. for example: CSR in developed economies is driven by strong institutional environments and regulatory frameworks while in developing economies CSR is more voluntary, community driven because of weak governments (Jamali & Karam, 2018). Despite CSR growing exponentially in developed economies, there are comparatively few studies that examine CSR practices and understandings in developing economies (Jamali & Karam, 2018; Wahba & Elsayed, 2015). This difference is especially seen in South Asia, within the regulatory environment of some countries, specifically India and Nepal. For example, India has codified CSR in that firms are now required to set aside a percentage of profit, based on section 135 of the Companies Act (2013), for social development.

In Nepal, there still exists no formal CSR mandate, making this a more discretionary and sometimes behavioral matter, with expectations from stakeholders or driven by some norms in another country (Dupire & M'Zali, 2018). These different contexts provide an opening to understand the ways in which one multinational corporation (MNC) negotiates and recalibrates its CSR strategy and delivery across borders.

Unilever, with a wide range of sustainability agendas and stakeholder engagement mechanisms, is the right case to understand how CSR is locally contextualized. Previous research identified both internal factors (e.g., organizational values and commitment from management) and external drivers (e.g., political context, institutional pressures, consumer/expectations) as overlapping dimensions of CSR practices (Bansal, 2005). For example, in China, consumer condemnation of multinational corporations emerged from their inadequate CSR expectations versus the local Chinese firms. Similarly, CSR activities in India and Nepal may be interpreted based on local normative frames, modes of media attention, and public perceptions of foreign corporate presence.

1.1.1 Unilever Global

Unilever was established on September 2, 1929, following the integration of the British manufacturer of soap, Lever Brothers, and the Dutch margarine manufacturer, Margarine Unie. Today it is one of the largest and most attuned to the consumer goods businesses in the world and lines of products are available in over 190 countries. On average, on any day, some 3.4 billion people are using Unilever brands, some 58% of its net revenue came from emerging markets, and the turnover of the business is €60.8 billion in 2024 (Unilever, 2024).

The company is governed by the Board of Directors that consists of Executive and primarily Non-Executive Directors and is supported by committees of; Audit; Compensation; Corporate Responsibility; and Nominating & Governance and two management committees; Disclosure; Global Code & Policy. The CEO and CFO make operational decisions on a day-to-day basis, and they are supported by the Board of Directors through the avenues they have available to them.

Globally, Unilever employs approximately 128,000 people (Unilever, 2025); and in the management of the business, the five core business segments of Beauty & Wellbeing; Personal Care; Home Care; Nutrition; and Ice Cream. Within several industries, the company has a strong market presence (Unilever, 2022); and owns globally recognized brands such as Dove, Knorr, Lipton, and Magnum, it can be assumed the business model and product portfolio (Unilever, 2025), is formidable and diverse.

1.1.2 Unilever Nepal

Unilever Nepal Ltd. (UNL), founded in 1992 is one of the earliest multinationals Fast Moving Consumer Goods (FMCG) companies in Nepal. UNL has developed into a prominent brand associated with trust, quality, and sustainability. UNL started its commercial production in Nepal in 1994 with Wheel detergent powder from its factory in Hetauda and expanded over the next few decades to encompass sales in over 50,000 retailers in Nepal, with over 28 brands in its portfolio and many locally produced products including Lux, Lifebuoy, Rin, Glow & Lovely, Dove, Vaseline, Clinic Plus, Sunsilk, Malt-O-Meal, and Pepsodent brand. UNL has also made a huge investment in Corporate Social Responsibility (CSR) and shows this by successfully institutionalizing CSR strategies into its business systems and balancing profitability with the social and environmental dimensions of sustainability. UNL employs approximately 235–250 total employees and has shown throughout its founding and operational development its commitment to hiring local talent, as 95% of the company's employees are Nepali citizens (Unilever Nepal ltd, 2024). Operationally, UNL's commitment to sustainability through various initiatives towards becoming a more sustainable business. UNL's Hetauda plant possesses global energy leadership credentials in the sustainable energy and waste management arena by getting 87% of its energy from renewable energy sources, the installation of Asian first electric boiler, recycling 30,050 kl of water on an annual basis, and managing the environment by managing 2,200 metric tons of plastic waste through recycling and reuse (Unilever Nepal ltd, 2023).

CSR, Corporate Social Responsibility, is not just about environmental sustainability. UNL has been involved in the socio-economic upliftment of communities; a partnership in the Mountain Cleanup Campaign since 2019 has removed 108 tons of waste from the Himalayas which clearly represents UNL's commitment to custodian of preserving the natural heritage of Nepal. COVID-19 pandemic witnessed supporting the process of national relief efforts by donating oxygen concentrators, donating medical supplies, and sponsoring an oxygen plant in Hetauda, all the while raising awareness among people about hygiene and sanitation through Lifebuoy campaigns (Unilever Nepal, 2023).

These are examples of how UNL's CSR approach and strategy incorporates sustainability, health and hygiene, and socio-economic development in its business model. By acting in accordance with Nepal's developmental priorities and by being ecologically sensitive in their operations, therefore, Unilever Nepal has established itself as more than a leading market player in the Fast-Moving Consumer Goods (FMCG) category and has emerged as a responsible corporate citizen contributing to long-term societal welfare.

1.1.3 Hindustan Unilever

Hindustan Unilever Ltd. (HUL) originated in 1931 as Hindustan Vanaspati Manufacturing Co. It subsequently became Hindustan Lever Limited and then, finally, HUL in 2007 when it was integrated more fully into Unilever. HUL is headquartered in Mumbai and is currently India's largest FMCG Company, serving around 9 million retail outlets, and in turn, reaching nine out of ten Indian households.

As of March 31, 2025, HUL employed around 18,800 people, down slightly from the previous year. Other sources suggest that the employee total is closer to 21,000 which includes at least 12,000 employees in blue-collar roles and includes 31 factories and 15 offices (Bhattacharya and Bureau (2025). Governance includes a CSR Committee of the Board which monitors policies that adhere to the Unilever Compass strategy that is established in the Unilever Sustainable Living Plan (USLP). HUL's revenue to be derived from major segments: Personal Care (~46%), Home & Laundry Care (~34%), Foods & Refreshments (~19%), with a small "other" remainder. They have over 29- 31 manufacturing plants. HUL has an extensive distribution network of over 3,500 distributors (Global Data, 2025).

HUL's CSR program include impressive initiatives in health & nutrition (nearly 2.4 million people), Project Shakti (approximately 200,000 rural women entrepreneurs), water conservation (around 2.28 lakh beneficiaries), and plastic waste management (>2 lakh beneficiaries) (HUL, 2025). HUL has also put significant effort into building sustainability, recycling approximately 100,000 tons of plastic waste managed 97% of its deforestation-free supply chains and reduced CO_2 emissions in its manufacturing by 98% relative to the original baseline (2008). HUL is also running a ground-breaking project with UNDP India on a plastic circular-economy project supporting 100,000 households and 20,000 waste-picker "Safai Saathis" in waste segregation and recycling.

1.2 Problem Statement

In recent decades, Corporate Social Responsibility (CSR) has increasingly transformed from a purely altruistic venture to a strategic imperative for multinational corporations (MNCs) who have business operations in vastly different global contexts (Jamali & Karam 2018). MNCs such as Unilever are compelled to address global level CSR movements and policies and also reflect and develop their CSR strategies and programs in relation to the unique socio-economic, cultural, and institutional contexts of their host countries. While global CSR policies create a general expectation of uniformity and consistency, they do not fully account for the local expectations, needs and values of stakeholders, particularly in developing countries.

Research suggests that CSR strategies or practices in developed vs. developing countries exhibit differences in their framing based on the relevant pressures - institutional, stakeholder, cultural, and economic, (Jamali & Karam, 2018; Ali et al, 2017). Notably and unfortunately, most of the comparative CSR literature examines a "high-level" comparison across countries, or sectorial comparison of similar firms, and in the case of South Asia, we know very little about how an individual MNC has implemented CSR strategies in varying national contexts, let alone how a single company conceptualizes CSR and implements CSR in different developing countries.

With a significant presence on the ground in both India and Nepal, Unilever is an ideal case study for examining how domestic realities shape the localization of CSR policies. In India, there is a formal legislative framework for CSR coupled with a vast, heterogeneous, population with the many challenges and expectations for CSR. In contrast, Nepal has no formal legislative framework for CSR and therefore CSR is more a voluntary corporate engagement confined the domestic realities of Nepal. This research intends to investigate this gap by qualitatively exploring the application of CSR and its challenges by Unilever in both India and Nepal. The purpose of the proposed research will be arrived at by an understanding of the specific issues that lead to localized CSR, and factors that may or may not influence that. A study of this nature is helpful in contributing to understanding multinationals corporate CSR strategies in ways that could improve their effectiveness and responsiveness to those within the communities they operate in and at a regional level for those operating across similar domestic contexts in the Global South.

1.3 Research gap

While Corporate Social Responsibility (CSR) has received significant interest in academic writing over the last twenty years, especially in light of globalization, there has been a lack of comparative understanding regarding CSR practices between the domestic and international operations of multinational corporations (MNCs). Current literature does provide a basis for understanding CSR and some gaps warrant further research.

To start, Kandpal et al. (2024) identify the constantly changing nature of CSR and ESG and differentiate it qualitatively (CSR) and quantitatively (ESG). Their work uses time as a comparative focus but does not unpack how MNCs distinguish between CSR practices within their domestic and international divisions, particularly in regard to emergent regulatory environments, and the changes to ESG practices driven by generational differences. The work of Popkova et al. (2021) states that the change brought on by the COVID-19 crisis had significant effect on CSR in developing countries but many of the CSR efforts were externally driven rather than reflective of internal stakeholder values. This too does not evaluate how CSR, that was created out of a crisis response, differed between the MNC's international divisions, compared to their domestic operations.

Jamali and Karam (2018) in their multilevel review of CSR emphasize context-sensitive CSR processes in the Global South, and that practices in a developing country cannot simply mimic those of the West. However, they, and subsequent researchers, did not focus on how MNCs manage the dualities between global and local again. This is expressly stated in the work of Bondy and Starkey (2014), who note that CSR strategies that are integrated into the MNC business models neglect local matters, clearly dismissing CSR as a contextually relevant notion.

Therefore, an area of CSR worth considering and developing is based on perceptions of CSR between different markets. Aguilera et al. (2017) also indicate that the firm's reputation is improved through international diversification only when the MNC is also a high performer on CSR activity particularly when there is the ability to achieve a balance between global consistency and local responsiveness. However, Aguilera et al. (2017) do not elaborate or explain how the reputational benefits of CSR activity differ in either geographical or stakeholder context. Foundational studies point out that there is an inherent tension between global integration and local adaptation (Husted & Allen, 2006; Filatotchev & Stahl, 2006), especially as MNCs face institutional pressures and take on their complex transnational CSR frameworks. Yet, there is still a lack of empirical work in terms of how these tensions affect CSR practices at developing counties for the same MNC.

However, most of these studies adopt cross-country comparisons at a macro level rather than exploring how a single MNC localizes CSR across multiple subsidiaries in developing contexts. Although Unilever is frequently cited as a global leader in CSR due to its Unilever Sustainable Plan and alignment with the UN sustainable Development Goals, however less attention has been given to comparing Unilever's CSR implementation across its South Asian subsidiaries.

1.4 Research questions

The research questions for the study are as:

i. How does Unilever's CSR strategy in Nepal and India contrast in term of altruistic (voluntary, community, driven) and imperative (regulatory, compulsion-driven) approaches?
    a. How does Unilever’s CSR activities correspond to its organization’s objectives and stakeholders in India and Nepal?
    b. How economic responsibility, legal responsibility, ethical responsibility and charitable responsibility impact corporate performance in India and Nepal?

1.5 Structure of thesis

Here is the outline of the structure of this thesis:

Section I: Introduction

This section introduces the focus of this research, introduction of the case, research gap and research question

Section II: Literature Review

This section discusses the key theories i.e. Institutional theory, stakeholder theory and Carroll’s pyramid of CSR and the literature review related to research questions.

Section III: Methodology

This section includes mixed method research design, data collection method, methodological approach, and data analysis

Section IV: Analysis and Findings

This section presents the theme for qualitative and quantitative analysis based for research questions and interpret those themes.

Section V: Discussion

This section discusses the findings that link with research questions and literature review.

Section VI: Conclusion

This section discusses the overall conclusion for this thesis and the implications for the study.

SECTION II:
LITERATURE REVIEW

In this section, literature review is divided into two sub sections: theoretical review and empirical review. Theoretical review explains about the concepts and theories that are relevant to CSR in MNCs i.e. Institutional Theory, stakeholder Theory and Carroll's pyramid of CSR, where literature review explains about the existing research that has been already conducted about CSR activities, policy of Nepal and India, CSR dimension and their impact on corporate performance and from that we formulate hypothesis for third research question.

2.1 Theoretical Review

2.1.1 Institutional Theory and CSR in Multinational Context

Institutional Theory enables us to examine how corporate social responsibility (CSR) strategies are shaped by specific national situations. Institutional Theory maintains that organizational behavior is explained by the institutions in which firms are embedded (i.e., legal requirements, culture, traditions, and social expectations) (DiMaggio & Powell, 1983). In the case of multinational enterprises like Unilever, certain CSR practices will be compelled by specific institutional pressures present in each host country. According to DiMaggio & Powell (1983), the main source of institutional pressures are coercive pressures: pressure from laws, regulations and powerful stakeholders (governments, NGOs, international bodies), normative pressures: pressure from professional standards, ethical expectations and societal norms.

According to Amenta and Ramsey (2010), institutions are not external impediments, but "configurations of rules, norms, and practices that shape the structure of repeated human interactions." Amenta and Ramsey (2010) explain that institutions are shaped by both which behaviors will be deemed acceptable for an organization and the process for establishing legitimacy in a society. Institutional theory explains that CSR in MNCs as a response to multiple institutional pressures that push firms to adopt socially responsible behaviors, not just profit but to maintain legitimacy, reputation and long-term survival in different cultural and regulatory environments.

As a result, Institutional Theory accounts for the difference between CSR forms, which are imperative CSR in India due to regulatory obligation and altruistic CSR in Nepal due to social expectations and corporate values. This also relates to the research variable of CSR approach (altruistic versus imperative) and demonstrates how institutional environments are conditioning impacts on organizational behavior. Unilever's adjustments across borders were effectively institutional efforts to maintain legitimacy, efficiency, and interest alignment among different stakeholders in different countries.

2.1.2 Stakeholder theory

Stakeholder Theory was developed by R. Edward Freeman (1984), assert that corporations should pursue the interests of all stakeholders not just shareholders such as employees, customers, suppliers, governments, and local communities. Stakeholder Theory emphasizes the long-term success and legitimacy of a company is contingent on its ability to identify, protect, balance, and address the needs of diverse stakeholder groups.

When moving beyond the boundaries of one's home country to engage in a multi-national context, stakeholder expectations may differ as a result of different cultural, economic, and institutional conditions. For example, multi-national company like Unilever that operates in a variety of countries like India and Nepal. According to Mahajan et al. (2023), stakeholder theory has evolved to take into consideration not just stakeholder diversity, but also the contextual and dynamic nature of stakeholder interests. Their data emphasizes the concept of "stakeholder salience," alleging that firms often view stakeholders by degree of power, legitimacy and urgency (rings of salience) which can vary widely between home and host country contexts.

In the case of Unilever, this means that they are more likely to orient their CSR programs in India towards relations with regulators and urban consumers; OECD recommends doing what regulators and markets want regulators and market to do. In comparison, Nepal, the focus may primarily be on community engagement and local development, since rural communities and other similar stakeholder groups and NGOs tend to have more normative pressures to be adhered to.

Therefore, Stakeholder Theory justifies this study to explain how CSR efforts are developed to align with the complex and changing commitments of key stakeholders in different national contexts. This also further expands the theoretical justification for discussing the concurrent strategic alignment of CSR activities with organizational and stakeholder objectives in the two country contexts.

2.1.3 Carroll's Pyramid of CSR

Carroll's Pyramid of Corporate Social Responsibility (1991) represents a detailed model of CSR that identifies four categories for CSR - economic, legal, ethical, and philanthropic responsibilities - accounting for multi-layer model. This model has established itself as one of the most frequently used theoretical frameworks in business research that helps researchers examine how companies will incorporate social responsibility into businesses decisions as part of the strategy.

The economic level focuses on profit and sustainability, the legal level deals with abdicating corporate responsibilities with regulations, the ethical level concerns "doing what is right" regarding responsibility beyond the law and compliance, while the philanthropic level focuses on charitable contributions to the betterment of communities. When looking at MNCs like Unilever conducting business in different countries such as India and Nepal will have inconsistent responsibility in fulfilling each responsibility, due to cultural, institutional and societal norms.

There is clearly much to be said about the current academic business literature (eg, Mishra & Suar, 2010; Khan, Muttakin & Siddiqui, 2013) that have used Carroll's model to study the impacts of CSR on stakeholder trust, consumer attitudes and organizational performance. The current studies reiterate the view that philanthropic and ethical responsibilities are critical to maintain long-term stakeholder relationships, particularly in developing economies. Accordingly, I hope to utilize Carroll's model as an organized opportunity to look at how Unilever attends to each responsibility of CSR in India and Nepal and how these responsibilities influence corporate-stakeholder relationships. Carroll's framework also provides a quantitative opportunity to determine which aspects of CSR yield greater performance outcomes and social value in different national contexts, and this is consistent with the study's third research question.

2.2 Literature Review

2.2.1 Altruistic and Imperative CSR

Mares (2023) examined the complicated relationship between transnational corporations (TNCs) and human rights in developing countries, informing three interrelated dimensions. First, it exposes the informal "norm of effectiveness" and emergent pragmatism in evaluating human rights challenges by adopting a more pragmatic approach in evaluating human rights challenges based on tangible outcomes as opposed to abstract commitments. Second, it investigates effects of voluntary corporate initiatives as either substitutes for or complement state-based mechanisms while articulating limitations of voluntary compliance mechanisms regarding accountability and role in enforcement. Third, the discussion elevates the TNC-human rights nexus by evaluating and challenging narrow compliance by TNCs to look at the larger social, economic, and cultural connections to human rights. At the center of Mares' (2023) discussion, is the question of how TNCs participate in implementation of internationally agreed human rights standards in countries marked by poor governance, structural inequalities, and very limited capacity for addressing human rights challenges. This article highlights merits aligning corporate practices and behavior more closely with universal human rights.

Rim and Song (2017) investigated ways in which multinationals (MNCs) could respond on social media strategically to communicate their international corporate social responsibility (CSR) practices. They employed an experimental design using a MNC's global CSR campaign in the United Arab Emirates with both corporate communication strategies and response sidedness as the key variables. The research also estimated a mediation path through perceived altruism. They found that a response strategy involving both sides of the issue (positive and negative) positively influences the public's attitudes toward the firm, and future intentions to engage in conversation about the CSR campaign when the firm has no prior CSR experience in host country. The study found that perceived altruism was primarily responsible for the moderated strengthening effect found when MNCs confirmed their altruism. The paper provided implications for practice by identifying ways in which multinationals can deal with negative publicity on social media. MNCs need to consider their response methods in regard to their previous CSR work in a particular market, due to how to best engage the stakeholders and create trust.

Fontana (2017) studies strategic corporate social responsibility (CSR) in supply chains in a developing country and specifically references the Bangladeshi ready-made garment (RMG) industry towards understanding the cognitive antecedents and behavioral consequences of executives' investment decisions. The study also wanted to determine if strategic CSR afforded suppliers performance advantages. Using a qualitative, exploratory approach, the research drew on five-dimensional frameworks from the literature, and case-study evidence collected from semi-structured interviews with 10 senior executives from large supplier firms. The findings suggest that altruism and performance are often emphasized together within CSR discourse, and while organizations often have altruistic intentions, these are typically overshadowed by profit-oriented motives. CSR investments that can create competitive positioning will drive the diffuse of profit-oriented CSR and do so generally at the expense of altruism. While the data align CSR with a type of strategic choice and practice in which suppliers can participate, CSR alludes to the fact that it is a necessary, but insufficient condition for achieving a somewhat sustainable and competitive advantage.

Lantos (2002) critically examined the morality of altruistic corporate social responsibility (CSR) philanthropy that does not directly improve the firm's financial performance. Using moral perspectives, utilitarianism, rights, justice, and care, it concluded that altruistic CSR is immoral for publicly owned corporations, as it violates shareholders' property rights, illegally reallocates stockholder wealth, and values indirect benefits to society more than direct obligations to others in more direct stakeholder relationships. The article also questioned the assumption that corporations must assume altruistic ethical duties over and above fulfilling their duty to maximize profit, and that "CSR" is to be seen as behaving strategically and only use CSR if it enhances firm value. However, using secular perspectives on the meaning of work, it argued that altruistic activities are still entirely appropriate and should be considered socially responsible and admired activities for private firms, and individuals. The commentary concludes with actionable recommendations for CSR practitioners as well as a call for more research into the boundaries of altruistic and strategic CSR.

2.2.2 Corporate Social Responsibility Policy of Hindustan Unilever Limited

HUL is very serious about its business, and its view of business is that we can operate and grow in asocial manner. Just as long as we improve the environment and minimize social harm and do good in the world. HUL started the Unilever Sustainable Living Plan (USLP), and this supports all the actions under the Companies Act, 2013, regarding Schedule VII of section 135. The USLP has three areas of considerations, First, supporting more than a billion people and launching projects to improve the health and wellbeing of society. Second, Green products that reduce environmental impact and create an eco-friendly environment for society. Third, try to improve peoples' livelihoods with business development (HUL, CSR, 2019).

HUL's CSR Policy adheres to the following principles:

- HUL seeks to maintain integrity and respect for the interests of all the stakeholders in accordance with the Code of Business Principles in all our operations.
- HUL believes we can grow sustainably with the help of Environmental Sustainability. HUL's business model contains Environmental Sustainability as one of its criteria for evaluating sustainable growth.
- HUL is partnering with diverse stakeholders, NGOs, Government, Suppliers, and Farmers to help solve some of the problems and challenges facing society.

Pursuant to Section 135(5) of the Companies Act, 2013 (the Act), HUL shall also spend the 2% as mandated in schedule VII (amended) to the Act (HUL CSR, 2020).

Hindustan Unilever Limited (HUL) engages in corporate social responsibility (CSR) in accordance with Schedule VII of the Companies Act, 2013 (as amended on 27th April 2022). Corporate social responsibility is carried out in a range of activities that include, but are not limited to, alleviating hunger, poverty and malnutrition; promoting health care, sanitation and safe drinking water; promoting education and vocational skills; supporting, and empowering women and achieving gender equality; supporting other disadvantaged groups and promoting care for the elderly and orphans; promoting environmental sustainability; supporting and promoting heritage protection, rural sport, disaster management, rural development, and research in science/technology for sustainable development goals (SDGs) initiatives. CSR initiatives include an agreement to contribute at least two percent (2%) of the average net profits in the preceding three years, as agreed upon by the Board upon consideration of recommendations from the CSR Committee (HUL CSR, 2022). The Projects selected will be in the specified areas of focus, the communities affected, inclusiveness and benefits to the community, sustainability, feasibility, and future economic benefits. HUL may use direct and indirect mechanisms to perform CSR activities, both using compliant implementing agencies, and is required to conduct sufficient due diligence on the financial credibility, governance standards, statutory compliance, and existence of conflict interests (HUL CRS Policy, 2022).

For initiatives concerning capital assets, HUL guarantees they are created or obtained in compliance with applicable legal provisions to obtain maximum profit for the community. HUL keeps track of these assets by reporting periodically, holding field visits, updating user statements, and enlisting independent evaluations. HUL conducts impact assessments where relevant and the

Annual Action Plan is kept measurable, relevant, and time bounded. As a result, HUL protects itself from risk, implementing initiatives to statutory obligations (HUL CRS Policy, 2022).

2.2.3 Corporate Social Responsibility Policy of Unilever Nepal.

Corporate Social Responsibility expenses is accounted for in accordance with the Industrial Enterprises Act 2076 (which came into force on February 11, 2020, and replaced the Industrial Enterprises Act 2073) which requires, in accordance with Section 54 of the new legislation, companies to allocate up to 1% of the annual net profit to be spent on their social responsibility (the "CSR Requirement"). The CSR requirement can only be spent in accordance with an annual plan and program (UNL,2024). However, the annual plans and programs can include those sectors which are prescribed in the regulations made under the Act. Reports on the CSR required funds spent/used must be prepared and submitted to the relevant government office within six months of the end of the financial year. The Company made provision for and calculated CSR on the basis of Industrial Enterprises Act 2019 (Annual report UNL, 2024).

The Nepal Army implemented the 'Safa Himal Abhiyan 2024' mountain clean-up campaign from April 11 to June 5, 2024, with Unilever Nepal Limited supporting the campaign via Avani Ventures (Unilever Nepal Limited's official waste management and recycling partner). The 2024 cleanup campaign saw 11,000 kg of waste removed, and five bodies recovered from the Everest region. Since the program began in 2019, the outreach has removed 108 tons of waste and recovered 12 bodies. Unilever Nepal has been involved with the annual program every year since 2021, thereby supporting environmental sustainability in Nepal (UNL, 2024). Unilever Nepal expressed pride in supporting the program and felt re-enforced in its commitment to sustainability and community service. Unilever Nepal has committed to supporting this cleanup effort annually, which demonstrates their belief in protecting the natural environment of Nepal and the legitimate disposal of waste in high altitude areas (The Kathmandu Post, 2025).

Unilever Nepal's corporate social responsibly initiatives for 2024 showed the organization's commitment to not only environmental sustainability but social welfare and community development. In an initiative the company partnered with the Nepal Army and Avni Ventures quickly remediate "Mountain Clean Up Campaign 2024" (April 11 – June 5), where they helped remove 11,000 kg of high-altitude waste and five dead bodies from Mount Everest, Lhotse and

Nupste, which brings the total clean up efforts to 108 tons since 2019. Unilever, through Avni Ventures, helped recover 1,255 tons of plastic waste and has converted approximately 25 percent of its plastic portfolio into sustainable materials. In the area of social initiatives, Unilever celebrated the International Yoga Day for 2024 with the theme of "Yoga for Peaceful Coexistence and Unity." and Maiti Nepal's trunked, "Journey to Justice" anti–human trafficking walkathon as a part of the awareness building process. Unilever also provided relief material to earthquake disaster response efforts in Jajarkot after the November 2023 earthquake. These were obviously great initiatives which reiterate Unilever Nepal's philosophy that the success of the business is dependent upon a planet and society that is healthy and well, while also demonstrating a consistent commitment to environmental resource management, public health and safety, social justice, and disaster response and remediation (Annual Report UNL, 2024).

2.2.4 Company Objectives correspond to CSR Strategies

According to Clare et.al. (2024), well aligned CSR can improve reputation, employee engagement, and innovation while in contrast, poorly aligned CSR often results in limited business return. Similarly, Diab et.al., (2025), states that for MNCs, alignment is complicated by multi-level objectives: global headquarters focus on brand consistency and risk mitigation while subsidiaries face local legitimacy and operational constraints. These studies show that MNCs use global CSR frameworks but permit local adaptation.

Kusuma et al. (2024) investigated the implementation of Corporate Social Responsibility (CSR) 6.0 by Unilever as a means to define corporate personal brands. By adopting a descriptive qualitative research approach, using a case study method, this research utilized Unilever's sustainability reports, corporate publications, relevant literature, and direct observation to address and analyze how CSR 6.0 influenced how the brand is seen. The findings determined that CSR 6.0 formed a key part of Unilever's communication management to solidify the corporate brand image and enhance stakeholder trust. The findings also implied Unilever integrates of the seven pillars of CSR 6.0 health and welfare, environmental impacts, social inclusion, farmer/rancher justice, human rights protection, food and nutrition security, community engagement. Collectively these positions an enterprise as socially responsible and innovative in a global leadership position. The research concluded that CSR 6.0 establishes both a branding strategy but also serves as an integrated framework for sustainable corporate communications and long-term value.

Modreanu et al. (2022) argued that strategic corporate social responsibility (CSR) is a dynamic process requiring firms to learn, adapt, and align practice with the constantly changing market landscape or stakeholders' needs and wants. This paper examines Unilever's Sustainable Living Plan (USLP) as a case study of strategic CSR and sustainable value creation. With a qualitative methodology focused on four research questions, we present and analyze the company's performance over the ten years of the USLP's implementation period. This paper findings show that while Unilever did not achieve the full extent of USLP aims, the initiative helped reinforce the firm's competitive advantage in a way that supported both economic and social goals. The results also reinforce that Unilever legitimately positioned itself for growth through sustainable and people-driven (and with respect to the impact of people) principles, a commendable example of the challenges of strategic CSR. The study also pinpoints weaknesses in the USLP, including employee retention issues and consumers not knowing enough about the issues or the firm's work. We emphasized that a greater strategic focus on responsible consumption may have the best chance of generating brand equity that may also boost firm level sustainability performance in the long run.

Susilowati (2017) investigated how the multi-stakeholder partnership model in the Black Soybeans Project initiated by PT Unilever Indonesia creates both economic and social value for partners involved in the project. Their research highlights the role of 'social capital' (defined as "networks, trust, "norms" and commitment) in enabling the mechanisms of collaboration to facilitate de-emphasized interests in order to realize mutually agreed upon goals. This study adopted a post-positivist phenomenology-interpretive paradigm and used qualitative research (in-depth interviews) of a range of stakeholders, including academicians, NGOs, financial institutions, farmers (including women farmers), and the Unilever Indonesia Foundation. They concluded that the partnership was grounded in the notion of symbiosis-mutualism, whereby all partners benefited in some way. Unilever worked strategically with stakeholders to support black soybean farmers by providing solidarity in the form of quality, quantity and fair prices given the standards outlined in their Organizational Charts. Additionally, the new production centers strengthened the supply chain and improved quality of life of the farmers participating in the program. Overall, the project suggests CSR initiatives can generate business and social value at the same time, demonstrating a new sustainable- inclusive partnership model.

2.2.5 CSR Dimensions and Corporate Performance

Corporate Social Responsibility (CSR) has become the foundation of corporate strategy in developed as well as emerging economies. Based on increased stakeholder sensitivity, globalization of business practices, and increasing institutional pressures, firms are supposed to go beyond profit maximization to take on responsibilities towards society, nature, and moral governance (Carroll, 1991; Porter & Kramer, 2011). This expansion of corporate responsibility is particularly relevant in the developing world, such as India and Nepal, where companies are often operating within contexts of low state capability, institutional voids, and pressing socio-economic demands (Visser, 2008; Jamali & Karam, 2018).

Academics have experimented with CSR from a number of theoretical perspectives, but Carroll's (1991) four-bundle CSR framework economic, legal, ethical, and philanthropic responsibilities remain the most frequently cited. Each of the dimensions gives a unique picture of how companies engage with stakeholders and society, and together they capture corporate citizenship as a whole. At the same time, empirical research has emerged to deal with efforts to find a connection between CSR practices and corporate performance (CP), both financially (e.g., profitability, shareholder value) and non-financially (e.g., reputation, stakeholder trust, long-term sustainability).

This review explains the interaction between CSR dimensions and company financial performance with special reference to India and Nepal. While the existing literature stresses the significance of all the dimensions: economic, legal, ethical, and philanthropic in affecting firm financial performance, it also marks out differences in context between the two countries. Depending on theory synthesis and empirical studies, four hypotheses (H1–H4) are derived to guide the forthcoming study.

Economic responsibility provides the base for Carroll's (1991) CSR pyramid. It is a reflection of the very minimum expectation of firms being profitable, competitive, and efficient. Profitability ensures survival, sustainability, and the ability to take on greater social and environmental responsibilities (Schwartz & Carroll, 2003). Economic responsibility within CSR generally means integrating social activities into strategic business planning, for instance, shared value creation by linking CSR to revenue streams (Porter & Kramer, 2011). In Carroll’s (1991) CSR pyramid, economic responsibility is considered the foundation of corporate duties, as firms are primarily expected to generate profits, provide return to shareholders, and ensure long term financial benefits.

In the developing world, economic CSR has been strongly associated with market-building strategies. Firms invest, for example, in rural infrastructure, microfinance schemes, or inclusive business models not only to eliminate poverty but also to build emerging consumer markets (Prahalad, 2006). The alignment of social and business agendas thus places economic responsibility both as an engine of firm performance and as a support for sustainable development. Meta-analysis by Orlitzky et.al., (2003); Wang et.al., (2020) illustrates that CSR operations are typically associated with improved profitability and market value. Costa & Fonseca (2022) identifies that companies attain higher financial performance when CSR is integrated with innovation strategy, which shows that economic responsibility provides a platform for sustainable competitive advantage. Similarly, Han et.al., 2016, found that firms in Korea with higher ESG scores, reflecting strong economic and governance practices that lead to profitability. Kauppila (2023) also adds that besides profitability, economic responsibility also reduces corporate risk and improves governance. Firms with high economic responsibility levels through transparent reporting and fair financial practices will have less engagement in earnings management that mitigates agency problems.

In summary, it shows that economic responsibility positively influences corporate performance, both directly through improved financial performance and indirectly through reputation, governance and reduce corporate risk. Drawing from the above Carrolls's framework and reviewed literature, the following hypothesis is proposed:

H1: There is a positive impact of economic responsibility on corporate performance in India and Nepal

Legal responsibility India has emerged as a focal point in CSR research due to its unique legal mandate under the Companies ACT 2013 while CSR in Nepal is less institutionalized compared to India, but its role is equally significant given the country's socio-economic challenges. Studies in India have shown that how businesses combining CSR and business goals also exhibit improved performance outcomes. For example: Hindustan Unilever's Project Shakti gave power to women entrepreneurs across rural India, directly contributing to revenue growth while enhancing social legitimacy (Kumar, 2019). This alignment puts into view how CSR drives business and market growth profitability. Similarly, evidence in Nepal shows that businesses which invest in domestic infrastructures, vocational training and domestic entrepreneurship are likely to enjoy sustainable stakeholder relations and more market opportunities (Shrestha, 2020).

Legal responsibility involves corporate compliance with local laws and regulations. It ensures that firms operate in the legislative environment which applies to taxation, labor, environment, and CSR obligations (Carroll, 1991). Legal responsibility in developing countries plays a double role: it minimizes regulatory risk as well as shapes corporate reputation (Balasubramanian, 2017). Compliance, in the case of weak governance institutions, sends reliability signals to investors, the state, and stakeholders, thereby improving corporate performance. Vedanta Resources in India was discovered to have been violating environmental and tribal rights laws in Odisha, India. In 2010, the Indian government revoked its bauxite mining license due to not being consistent with environmental and land rights legislation, thus they experience project approval reputational damage and shareholder value erosion which shows that how inability to comply with legal CSR obligations could cause direct damage to profitability and investor faith (Dash & Sahoo, 2011). Integrating CSR with legal compliance can create synergies that would benefit the organization and society. By harmonizing business objectives with legal and ethical obligations, companies cannot mitigate legal risks but also establish their reputation and foster stakeholder trust (Adedokun, 2025). This alignment ensures that companies remain within the boundaries of law while doing good for society.

Legal responsibility thus provides partnership and reputational benefits which facilitate performance indirectly. Drawing from the above Caroll's framework and reviewed literature, the following hypothesis is proposed:

H2: There is a positive impact of legal responsibility on corporate performance in India and Nepal.

Ethical responsibility is a practice that goes beyond legal compliance, such as fairness, integrity, transparency, and sustainability. Carroll (1991) highlighted ethics as the area that guides companies towards acceptable behavior in society, even without direct regulation. Ethical CSR is particularly important in developing countries, where institutional voids and corruption have a tendency to destroy trust (Jamali & Karam, 2018).

Business firms adopting ethical practice fair wage, anti-corruption, and environmental practices are usually rewarded in terms of higher customer patronage, enhanced employee commitment, and good reputations (Mishra & Suar, 2010). Ethical responsibility therefore has a direct link with non-financial performance gains, which are converted into financial sustainability in the long term. In India, TATA Group has benefited from good reputation by following ethical practice in labor practices, environmental protection, and community services. This has been translated into market leadership and ongoing consumer trust (Jaysawal, 2015). In the textile sector, companies avoiding unethical labor practices (child labor, sweatshops) have increased export potential to developed countries where consumers demand buyers to be ethically compliant (Kolk, 2016). Nestle Pakistan embraced stringent ethical sourcing practices in a bid to avoid child labor in supply chains. Compliance not only rescued the brand but also attracted socially responsible investment (Yunus et.al., 2010). The empirical evidence from developing countries broadly states a positive but contingent relationship between ethical responsibility and corporate performance. Peng et.al.,2025 emphasize that ethical behavior often translates into improved firm reputation, access to finance and operational stability all of which can raise profitability and market value.

In India, the evidence suggests ethical responsibility as a cause of trust and reputation. Mishra & Suar (2010), in their analysis of Indian firms, documented that companies with an ethical orientation shared higher stakeholder satisfaction and performance outcomes. Ethical responsibility is important especially in competitive India's FMCG sector, where the trust of consumers is essential. Ethical conduct is valued most in Nepal since corporate malpractices have a tendency to evoke public outrage. Firms valuing sustainability, fair labor, and transparency establish trust with customers and enhance the morale of the employees (Khadka, 2019). These outcomes produce sustainable performance. Drawing from the above framework and reviewed literature, the following hypothesis is proposed:

H3: There is a positive impact of ethical responsibility on corporate performance in India and Nepal.

Philanthropy, or charitable responsibility, is grounded in voluntary actions that support community development and social welfare. It is typically expressed through contributions, education, health, or humanitarian aid (Carroll, 1991). While there are those who decry philanthropy as ad hoc and strategically visionless (Idemudia, 2011), others highlight its symbolic and cultural importance, particularly in South Asia, where companies have long been expected to play a developmental role (Chapple & Moon, 2005).

In developing countries, philanthropic responsibility can have a significant impact on corporate performance where governments often face resources constraints by generating goodwill, achieving public recognition, and establishing brand reputation (Gautam & Singh, 2010). It is particularly relevant in the context of Nepal, where the lack of state capacity renders individuals reliant on corporate philanthropy for essential services and emergency response. Corporate philanthropy can also enhance staff morale and retention. When employees find their company to be socially responsible, they are more likely to have job satisfaction and commitment. This has bearing on developing countries where working conditions and job security are usually a source of concern (Wirba 2023).

Philanthropy is thus culturally appropriate. Indian businesses are likely to engage in education, health, and rural development initiatives that enhance corporate legitimacy. Gautam and Singh (2010) confirmed that philanthropic CSR positively affected consumer perception and loyalty, and indirect firm performance. Mishra & Suar (2010) also found that charitable initiatives positively influence both financial and non-financial performance by enhancing employee morale, customer trust and community support. Philanthropy in Nepal is most critical in times of crisis. Philanthropic CSR as corporate contributions to relief efforts after the 2015 earthquake highlighted the role of philanthropic CSR in shaping community trust and business resilience (Shrestha, 2020). Such initiatives create such intangible resources as goodwill that are transferable into longer-term performance benefits. Drawing from the above framework and reviewed literature, the following hypothesis is proposed:

H4: There is a positive impact of charitable responsibility on corporate performance in India and Nepal.

SECTION III:
RESEARCH METHODOLOGY

In this section, research design and data collection methods are introduced. It explains the process for the whole thesis and the reason why to use such approach, method, furthermore, it explains how the data was collected and analyzed. In the end, it justifies the validity and reliability of the thesis.

3.1 Research Design

This research utilizes a mixed-method research design combining qualitative and quantitative methods to offer a comprehensive presentation of Unilever's CSR in both India and Nepal. The descriptive design presents Unilever's CSR practices in both countries; the causal-comparative design will more closely examine how CSR responsibilities (economic, legal, ethical, and charitable) vary based on corporate performance across two countries in which MNCs operate. Mixed method, in addition to providing a triangulation of the findings, and therefore supporting the conformity of the qualitative to the quantitative findings, will facilitate and support the comprehension of not only contextualization, but statistical explanation through the means and standard deviation of the statistical analysis conducted in both study settings.

3.2 Data collection

This research uses a secondary document data collection to collect data from the case company because secondary data helps to provide a broad range of information and larger datasets than researchers might be able to collect by themselves. Secondary document data collection refers to the systematic use of pre-existing documents and records as sources of empirical data for research, rather than collecting new information directly from participants (Bowen, 2009). For example, researchers can collect CSR reports, policy papers, organizational websites from multiple MNCs which would be difficult to replicate in a short time frame. Secondary data is often already validated or published by a reputable organization, making it more reliable than newly collected data. Additionally, secondary data often comes from established organizations or researchers. For instance, CSR reports, academic journals, industry databases and heavily collected from Unilever official websites, it can be considered trustworthy and can be used to support or contrast the findings, adding credibility in research.

Given the constraints on page numbers and time, secondary data serves as a valuable source since it is less time consuming than primary data collection. For instance, primary data often requires designing surveys, conducting interviews, or performing experiments where secondary sources are typically faster to obtain like CSR reports, company documents can be accessed relatively quickly. So, the selected data collection method is secondary data. We can see the detailed data collection sources in appendix 1 and 2.

3.3 Methodological approach

Methodological assumptions explain how the researcher creates perceptions related to the research topic. Scholars argue that no matter if a researcher is aware of it or not, the choice of the research question and presumed appropriacy of methods used in research are based on underlying prior assumptions and views of a researcher (Kuada, 2012).

Kuhn (1970) states that every research corresponds to a set of prevailing and common perceptions of the phenomenon being researched, which are tied to how questions about the phenomenon are being posed. Such commonalities create a paradigm (Kuada, 2012). Paradigm is a word that is used to capture and explain such assumptions descriptively (Kuada, 2012). Once a research paradigm is realized, proper methods and methodologies lead to appropriate research decisions (Cibangu, 2010).

3.3.1 Philosophy of science

In this subsection, the philosophical considerations shaping the frame for the thesis will be introduced. The research philosophy of a study provides the foundation for how knowledge is viewed and how research is conducted. According to Saunders et.al. 2009, research philosophy reflects the set of beliefs about the nature of reality (ontology) and the ways of developing knowledge (epistemology).

Ontology describes the researcher’s perception of reality and their assumptions about reality (Kuada 2012; Cibangu 2010). It reflects the researcher’s view on human nature. These perceptions constitute what the researchers identifies as truth and how to acquire knowledge about this truth

(Kuada, 2012). From an ontological perspective, CSR is understood as a part of reality that is shaped by the cultural, institutional and regulatory environments of each country. For instance, India's mandatory CSR legislation produces a different reality of CSR compared to Nepal's voluntary approach. Therefore, the study assumes a relativist ontology, recognizing that CSR does not have a single objective form but instead varies across context (Burrell & Morgan, 1979).

Epistemology provides a philosophical base for choosing the kinds of knowledge applied in the research and how they can obtain and validated. It looks at whether knowledge is objective or subjective (Kuada, 2012). Epistemology deals with a researcher's view on what constitutes and identify as acceptable knowledge in a study (Saunders et.al., 2009). From an epistemology perspective, the study employs interpretivist for the initial two research questions, seeking to determine how Unilever frames and implements CSR strategies and how these correspond with organizational objectives and stakeholder expectations. Interpretivism is appropriate because it is concerned with understanding meanings, perceptions, and social practices in specific contexts (Burrell & Morgan, 1979). At the same time, the third question assumes a positivist approach, as it involves analysis of quantitative secondary data to identify measurable impacts of different CSR responsibilities on corporate performance.

3.3.2 Research paradigm

The research paradigm, more specifically the research approach, we adopted in our research design is pragmatism. Pragmatism emphasizes the use of multiple methods to address research questions and prioritizes the practical value of findings (Creswell & Plano Clark, 2018). Pragmatism supports mixed-methods research in the social and behavioral sciences. Both qualitative and quantitative research methods can be used in the same research study. The key determinants of the epistemology and ontology a researcher adopts in the pragmatic approach is the research question, and it is perceived as a highly practical research philosophy (Tashakkori & Teddlie, 2002).

In summary, the research philosophy of this thesis is rooted in relativist ontology, interpretivist and positivist epistemology, and overall pragmatic orientation. This philosophical position ensures that the study remains flexible in applying the most suitable methods to explore CSR as both contextual social practice and a measurable corporate responsibility.

3.4 Data analysis methods

The data analysis in this thesis followed a mixed-methods approach, combining qualitative and quantitative strategies in order to address the three research questions comprehensively. As the study relied on secondary documents-based, the analysis process involved systematically reviewing, categorizing, and interpreting information from multiple sources and link with theoretical framework as a guiding lens to obtain a holistic understanding of CSR strategies, CSR dimension and their impact on corporate performance.

First, the study employed a qualitative content analysis method for first two research questions, i.e. 1. **How does Unilever's CSR strategy in Nepal and India contrast in term of altruistic (voluntary, community, driven) and imperative (regulatory, compulsion-driven) approaches? And How does Unilever's CSR activities correspond to its organization's objectives and stakeholders in India and Nepal?** as it set out to examine the annual reports, CSR policies, reports on environmental performance, assessments of impacts, and project reports of Unilever Nepal (UNL) and Hindustan Unilever Limited (HUL). These two research question link with institutional theory and stakeholder theory. It engaged in a comparison of the mandatory requirements for CSR versus the voluntary activities and initiatives carried out by both entities. For this, we subdivided CSR into two kinds: community-based voluntary initiatives and compliance-based, legally mandated programs. Next, we conducted a comparative assessment that examined the proportions of spending and project types categorized as voluntary versus compliance. We also conducted an examination of CSR projects to determine their fit with organizational objectives and stakeholder demands, then coded the similarity reported initiatives with objectives and stakeholder engagement. This structured coding strategy provided a greater understanding of how CSR practices are part of overall business strategy in each country.

In the second stage of the analysis, quantitative statistical analysis was conducted using SPSS for third research question i.e. **How economic responsibility, legal responsibility, ethical responsibility and charitable responsibility impact corporate performance in India and Nepal?** The CSR expenditure data were classified into four dimensions of social responsibility: economic, legal, ethical and philanthropic responsibilities, this RQ links with Carroll's pyramid.

Corporate performance was measured with Return on Assets (ROA) and Return on Equity (ROE) as the dependent variables because corporate performance depend on how well the social responsibility is managed and economic, legal, ethical and Charitable responsibility as independent variables because it is treated as something a company chooses or practices which can then influence outcomes. Economic responsibility represents the firm's financial sustainability and for this we include actual CSR expenditure indicator. Legal responsibility indicates compliance with laws and regulations and to measure legal responsibility we include CSR spending mandate 2% of average profit of 3 years and CSR spending voluntary and compliance with industrial 1% profit of last year. Ethical responsibility concerns voluntary practices reflecting fairness, integrity, and stakeholder orientation beyond law. To measure ethical responsibility, we use indicator of employment treatment policies like employment retirement funds. Charitable responsibility concerns with voluntary contribution to social causes. To measure this, we use indicator of donations reported in CSR annual reports. And finally, the indicator for corporate performance is ROA and ROE.

Descriptive statistics were conducted to report trends in CSR spending pattern across the two firms and correlation analysis undertaken to determine the strength and direction of relationships that existed between CSR dimensions and firm performance. After these analyses, regression analysis was conducted separately for HUL and UNL to determine the predictive effect of each dimension of CSR responsibility values on ROA and ROE. The multi-method statistical approach also allowed the researchers to empirically understand to what extent CSR investments affect financial performance in both settings. The study will examine the secondary data taken from annual reports published over the last five years. The report assesses how the CSR practices relate to corporate performance over the last five years. For the quantitative component, data is being analyzed using SPSS. The following techniques are utilized: correlation analysis and regression analysis. We can see detailed data in appendix 3.

SECTION IV:
ANALYSIS AND FINDINGS

This section examines the analysis and findings obtained from the secondary data collected to answer the research objectives and questions. The chapter focuses on Unilever's Corporate Social Responsibility practices in Nepal and India, comparing the practices in terms of the type of practice (e.g. altruistic or voluntary initiatives versus imperative or regulatory-driven activities), alignment of objectives with organizational objectives from a different perspective, the expectations of stakeholders in relation to the Corporate Social Responsibility practices, and the impact on corporate performance. The findings address three research questions: First, is there a difference between altruistic (voluntary) and imperative (regulatory-driven) activities? Second, how do corporate social responsibility activities compare with organizational objectives and stakeholder obligations in Nepal and India? Third, how do economic, legal, ethical, and charitable responsibility impact corporate performance? The text focuses on combining the content and comparative analysis in a general way to highlight similarities, differences in corporate social responsibility practice, and salient patterns that emerged as related to stakeholders versus corporate social responsibility in each country, providing a foundation for making overarching conclusions and recommendations in the following chapters. For this we have formed three themes based on research questions:

a. Comparative analysis of altruistic and imperative approaches of CSR
b. CSR activities correspondence to organizational objectives and stakeholder
c. CSR dimension and their impact on corporate performance

For the third theme we test hypothesis i.e., H1: Economic responsibility has positive impact on corporate responsibility, H2: Legal responsibility has positive impact on corporate performance, H3: Ethical responsibility has positive responsibility on corporate performance and H4: Charitable responsibility has positive impact on corporate responsibility in India and Nepal.

4.1 Comparative analysis of Altruistic and Imperative Approaches of CSR

This section discusses Unilever's CSR strategies in both Nepal and India, comparing altruistic strategies, based on voluntary community participation, with compulsory strategies regulated by demand. In the analysis, we examine how one form of CSR motivates priorities and allocation of resources and sustainability implications in the long-term in both countries and demonstrate some fundamental differences in terms of strategic orientation and implementation.

4.1.1 CSR Regulatory Context in Nepal vs. India

The regulatory mechanisms surrounding corporate social responsibility (CSR) in Nepal and India vary widely in content, emphasis, and legal obligations. The regulatory mechanism for CSR in India is governed by the Companies Act, 2013, namely Section 135 and Schedule VII. According to this, qualifying companies must, at minimum, spend 2% of the average net profits (calculated over the previous three years) on CSR activities. The law clearly delineates a range of activities that qualify under CSR: Education, Healthcare, Gender equality, Poverty, Environmental sustainability, Heritage conservation, Disaster management.

CSR is a highly structured, legally enforceable, and transparent process for companies such as Hindustan Unilever Limited (HUL) (an Indian multinational consumer goods company), because HUL needs to comply with education and healthcare guidelines, apply due diligence to implementing agencies, monitor impacts periodically, and establish a Board-level CSR Committee (HUL, 2025).

Conversely, Nepal's CSR framework is governed by the Industrial Enterprises Act 2076 (2020), which now requires companies to reserve up to 1% of its annual net profit for CSR, In contrast to the broad legal requirement in India, Nepal's approach is more flexible, where the company can develop and report their annual CSR plans to the government anytime within six months after the fiscal year's end (UNL 2025). While UNL has operated its CSR functions in this framework, it has tended to focus its CSR activities on environmental sustainability, disaster relief and community welfare. The "Safa Himal Abhiyan" mountain clean-up initiative and the numerous campaigns against human trafficking support the company´s focus on ecological sustainability and social justice. In India, where companies emphasize compliance with CSR law and structured approach with penalties for non-compliance, Nepal has a much greater range, allowing disinterest with regard to sources of CSR investments such as in community development initiatives, that are far less prescriptive, or project based. As a required conclusion, HUL´s CSR approach is both compliance and broadly based; whereas UNL´s CSR activities are flexible but are focused on environmental sustainability that can be demonstrated and supported by community development initiatives.

Table 4.1 CSR Regulatory Context in Nepal vs. India

Area	**HUL**	**UNL**
Legislation	Governed by Companies Act, 2013 (Section 135, Schedule 7)	Governed by Industrial Enterprises Act, 2076 (2020), Section 54
Minimum CSR requirement	2% of Last 3 years average of net profit	1% of annual net profit
CSR Expenditure	178.28 Cr, 2% of average of last 3 years Actual expenditure; 234 cr.	24,199,142. 1% of annual net Profit Actual expenditure; 25,460,600
Actual Percentage	2.63% of last 3 year's average profit	1.05 % of annual net profit
Ares of Social work	Broad areas: environment, education, women empowerment, poverty alleviation, healthcare, sanitation, heritage protection, disaster management, rural development	Focus on environment, public health, anti-human trafficking awareness, disaster relief, community welfare, waste management
Initiatives	Unilever Sustainable Living Plan (USLP): Eco-friendly products, health & wellbeing, and improving livelihoods	Plastic waste management, "Safa Himal Abhiyan" mountain clean-up, earthquake relief, Yoga Day awareness, anti-trafficking campaigns

Source: Author

The Hindustan Unilever Limited India model and Unilever Nepal Limited Nepal model provide samples of performance disparity under CSR regulatory and operating conditions. CSR activities in India are regulated by the Companies Act, 2013 (section 135, schedule 7), which requires companies to spend at least 2% of their average profits of the last three earlier years on CSR activities. CSR in Nepal follows the Industrial Enterprises Act, 2076 (2020), which requires them to spend at least 1% of their yearly net profit on CSR.

HUL achieved compliance at a cost of ₹178.28 crore (2% of average profits) but also had an additional cost of ₹234 crore amounting to 2.63% of average profits. In the Nepalese context, UNL had a CSR provision of NPR 24.19 million (1% of annual profit) and they expended NPR 25.46 million that is amounting to 1.05% of annual profit. This indicates that in both instances, the subsidiaries were slightly above their lowest requirement for CSR activities in their respective situations.

HUL schooled the Unilever Sustainable Living Plan (USLP) in CSR activities like healthcare, sanitation, women empowerment, poverty reduction, environmental sustainability, and heritage. UNL, on the other hand, justifies its CSR initiatives with a local and community-centric approach towards issues like environmental sustainability, disaster relief, plastic pollution, public health campaigns, and anti-human trafficking initiatives while promoting initiatives like the "Safa Himal Abhiyan" mountain clean-up campaign. Cumulatively, HUL is led by a compliance-based approach and extensive CSR framework innately, while UNL is marked by a particularist community model with an environmental emphasis.

4.1.2 CSR Programs in Nepal and India

Following two tables illustrate the projects, activities and the area the projects covered.

Table 4.2 *Projects and Activities in Nepal*

Projects	**Activities**
Mountain Clean-Up Campaign 2024	Collected 11,000 kilograms of high mountain waste and the remains of five deceased individuals, including one skeleton, from Mt. Everest, Mt. Lhotse, and Mt. Nuptse. Collected over 108 tons of waste and the remains of 12 deceased individuals from 2019.
Yoga for Peaceful Coexistence and Unity	Fostering physical and mental well-being, aligning with its broader social responsibility philosophy of enhancing the quality of life for the communities it serves.
Journey to Justice: Stop Human Trafficking	Dedication to addressing critical social issues and fostering a safer, more just society

Standing in Solidarity with the People of Nepal	dedicated to the reconstruction and rehabilitation of earthquake victims, reaffirming commitment to standing by the side of the community and contributing to the recovery and rebuilding efforts in the aftermath of natural calamities
environmental sustainability partnership with Avni Ventures	Collected 1255 tons of plastic waste, reprocessing a substantial portion of Plastic,
Swastha Nepal, Sakshyam Nepal, Hamro Nepal	Project Prabhat, Hamro Ramro Pasal, More women participation in workforce, Hamri Didi- women empowerment, Consumer awareness programs

Source: Annual report UNL, 2024

Unilever Nepal Limited (UNL) has taken a broad range of CSR initiatives to explicitly embody its commitment to environmental sustainability, community development, health, and social justice. The Mountain Clean-Up Campaign 2024 which was done in collaboration with the Nepal Army, is one of UNL's most front-burning campaign, collecting a staggering 11,000 kilograms of high-altitude waste and remains of five dead bodies from Mt. Everest, Lhotse, and Nuptse (UNL, 2024). Since 2019, UNL has taken out and cleared more than 108 tons of waste and reclaimed and recovered 12 dead bodies which is a reflection UNL's commitment towards environmental protection and respect for human dignity.

UNL initiated a Yoga for Peaceful Co-existence and Unity initiative that falls closely in line with their belief to enhance the quality of life of the community; and well-being physical and mental being a vitally important goal. This presented the opportunity for UNL to support the Journey to Justice: Stop Human Trafficking walkathon campaign that aimed to raise awareness for a critical social issue in Nepal of human trafficking and work towards creating a more equitable and safe society. After the series of events called Jajarkot speaks; UNL launched an initiative entitled Standing in Solidarity with the People of Nepal that focused on providing relief and resilience for those in affected communities of Nepal and for the recovery efforts.

Additionally, UNL has taken on a challenge with Avni Ventures to remove 1,255 tons of plastic waste and identified as much as literally half its volume it can be reprocessed (UNL, 2024). The social programs that UNL has supported such as Swastha Nepal, Sakshyam Nepal, Project Prabhat, Hamro Ramro Pasal, Hamri Didi, and women empowerment initiatives are part of a curated approach to deliver sustainable development, development of consumer awareness, and contributions to the workforce to help build social inclusion. Overall, these initiatives demonstrate UNL's multi-faceted approach to CSR is focused on the environment, social objectives, and community agency.

Table 4.3 *Projects and the State of the project in India*

Project		Activities
Climate	Centre for sustainable leadership and Climate incubation hub	Aiming to accelerate the Indian corporate sectors climate action by institutionalizing sustainability leaderships across FICCI.
Water	Jal Dhara, Jal Samvardhan, Jal Sanchay	Partner on multi-year programmes with reputed NGOs to scale up solutions addressing India's water challenges, particularly for rural communities dependent on agriculture
Regenerative agriculture	Navikaran, Tea Coalition on Regen, Vikas	Company collaborates with organizations to engage local communities in protecting and regenerating nature and agriculture through on-ground environment activities, covering extensive land to improve soil health and reduce emissions
Biodiversity	Awani	Partnered with Balipara to restore forests.
Plastics	Project circular bharat	Collaboration with organizations like UNDP and local municipal bodies to enhance awareness of waste source segregation and improves the lives of waste pickers by promoting their social inclusion
Livelihoods	SAFAL sales pro academy. Safal livelihood center for	SAFAL empowers young people with essential skills in frontline sales and entrepreneurship, while

	PwDs, SAFAL retailer strengthening, SAFAL didi ka dukaan, SAFAL SIDH integration	providing valuable internships to enhance their career prospects
Shakti	shakti	Aims to financially empower and provide livelihood opportunities to women in rural india.
Prabhat	Prabhat jal pradandhan, Prabhat swachh, Prabhat suposham, Prabhat Aarogya, Prabhat sugam kendra	Aim to create sustainable and inclusive communities. It leverages HUL's scale for good, contributing to a fairer, more socially and environmentally inclusive world.
Suvidha	Suvidha	Aligned with the government swachh bharat mission aiming to facilitate infrastructure while promoting awareness of hygiene, sanitation and nutrition through various partnerships
Health and nutrition	Swasthya curriculum, uddan	Partnerships with Tata memorial hospital addressing TB and malnutrition and providing nutritional support to cancer patients.
Others	Asha daan, home away from home, Suraksha, ankur, sanjeevani, pankh, wise, dhavika	Asha daan is a home for anandoned children and children with disabilities, Suraksha aims to reduce road crash fatalities, sanjeevani aim to support vulnerable communities.

Source: HUL, Key CSR Projects Approved, 2024/25

Hindustan Unilever Limited (HUL) has executed numerous and impactful CSR projects throughout India and across various states and thematic areas of development. For climate action, as an example, the Centre for Sustainable Leadership (a national programme) and Climate Incubation Hub in Karnataka has contributed towards climate resilience (a clear example of which is the CLIMATE RESILIENT LEADERSHIP) and sustainable leadership. As regards water security, Jal Dhara, Jal Samvardhan, and Jal Sanchay have operated in states which include

Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh, Rajasthan, Punjab, Tamil Nadu and Chhattisgarh, and form part of an overall suite of community water conservation and management programmes which HUL supports (HUL, 2024).

In the area of regenerative agriculture, HUL leads various projects, which include Navikaran, Tea Coalition on Regeneration, and Vikas in priority agricultural states which include Assam, Kerala, Karnataka, Tamil Nadu, West Bengal, and Haryana. For biodiversity, Awani in Assam, and its support of ecological balance is an example. In response to the issue of plastic waste, Project Circular Bharat has multiple sub-initiatives which include supporting responsible consumer behavior, social inclusion of waste workers, and integrated infrastructure across states which include Maharashtra, Karnataka, Andhra Pradesh, Delhi NCR and Uttar Pradesh (HUL, CSR projects, 2024).

In the field of livelihood enhancement, it is notable that the SAFAL and Shakti programs operate in over 20 states and provide training, skill development, employment and entrepreneurship opportunities especially for women and persons with disabilities. The Prabhat initiatives which are running in 12 states and 2 union territories are geared towards holistic rural development through their focus on water management, sanitation, nutrition, healthcare, farmers' rights and digital access. Other notable interventions include Suvidha in Maharashtra, Swasthya Curriculum in Gujarat, MP, and UP, Udaan in AP, Punjab, Utdarakhand and Maharashtra, as well as community health and educational programs such as Asha Daan, Home Away from Home, Suraksha, Ankur and Sanjeevani (HUL, 2024).

In combination, the various interventions point to HUL's widespread, systematic and multi-sectoral CSR model and the communities they touch across India.

4.1.3 Comparative Insights

Hindustan Unilever Limited (HUL) in India demonstrates a greater degree of altruism in CSR compared with Unilever Nepal Limited (UNL). HUL had expenditures of ₹234 crore (2.63% of average profits), which is more than the mandated 2% of profit in the Companies Act, 2013. HUL also engaged in a mix of portfolios of projects like; Prabhat, Shakti, SAFAL, Circular Bharat, climate leadership, water security, regenerative agriculture, health programs, and etc., across diverse states and sectors. This shows that HUL not only complied with its legal requirements (an imperative approach), it also made investments that were more than the compliance threshold and targeted broad developing priorities. The HUL CSR example demonstrates Altruism within the compliance perspective.

On the other hand, UNL used NPR 25.46 million (1.05% of annual profits), which was slightly above the 1% mandatory requirement for CSR spending in Nepal's Industrial Enterprises Act, 2076. Its various CSR projects (Safa Himal Abhiyan, plastic waste management, earthquake relief, yoga initiatives, and awareness about anti-human trafficking) were certainly significant but were more limited in their scale and sectorial reach. Overall, the scope was narrower than HUL, focusing primarily on environmental sustainability and community welfare as its' two top priorities.

The quantity of CSR funds spent above the mandate and number and variation of projects means HUL is more altruistic than UNL. In summary, both companies reflect a combination of both imperative and altruistic motivation, however, the CSR approach much of India's legal framework encourages HUL into a broader, resource-intensive, and socially consequential strategy than UNL. This position is more altruistic in practice.

4.2 CSR Activities Correspondence to Organizational Objectives and Stakeholders

Unilever's CSR activities correspondence closely with its organizational goals and stakeholder demands in both markets, but with different designs. Following table shows how the organizational objectives of Unilever and the CSR activities align with each other.

4.2.1 Organizational Objectives of Unilever

Table 4.4 Organizational Objectives of Unilever

Purpose & Mission	Make sustainable living commonplace; meet every day needs in nutrition, hygiene, personal care; help people “look good, feel good, do more."
Vision	Be the global leader in sustainable business with a purpose-led, future-fit model that delivers superior performance.
Strategic thrusts	Growth Action Plan 2030, strong plastics stance (life-cycle approach, transparency, sustainable polymer production; support for a global plastics treaty).

Source: Unilever, 2024

4.2.2 CSR Objective Alignment Analysis

Table 4.5 CSR and Organization Objective Alignment Analysis

Dimension	HUL (India)	UNL (Nepal)
Breadth and scale	National multi-thematic portfolio: climate, water, regenerative agriculture, biodiversity, plastics, livelihoods (e.g. SAFAL, Shakti), rural development (e.g. Prabhat), health and nutrition, sanitation (e.g. Suvidha); coverage of 10+ states	Focused initiatives: Mountain Clean Up 2024, plastic waste collaboration (Avni), earthquake relief, Yoga, anti-trafficking and anti-human trafficking, women empowerment (Hamri Didi), consumer pollution awareness; very local relevance
Direct mission fit	Hygiene/health behaviors - Suvidha, Swasthya Curriculum, Udaan, Aarogya, Suposhan; - Shakti - women entrepreneurs selling daily-use brands	Swastha Nepal, Sakshyam Nepal, consumer awareness - health and hygiene education; Hamri Didi - empowerment associated with well-being
Sustainability leadership	Water security (Jal Dhara, Samvardhan, Sanchay), climate hubs, regenerative agriculture (Navikaran, Tea Coalition, Vikas), Circular Bharat (responsible use, inclusion of waste workers, MRF infra)	Safa Himal (108+ tons since 2019), Avni partnership (1,255 tons plastics recovered), disaster response; commit to environmental stewardship and resilience.
Stakeholder coverage	Consumers, rural women, small retailers, farmers, waste workers, regulators; strong alignment between regulatory and market ecosystems	Mountain communities, trekkers/expeditions, disaster-impacted households, women at risk, local consumers/municipal systems; strong alignment with community & NGO

Plastic agenda fit	Circular Bharat echoes Unilever's treaty position: reduce, circulate, prevent, and remediate + transparency/social inclusion. Avni's plastics collaboration operationalizes a	Collection/reprocessing opportunity locally; aligned to life cycle and circular economy principles in practice.

Source: Busan Declaration (2024)

Unilever's CSR initiatives are well aligned with both corporate objectives and stakeholder values in each market but with a different paradigm. The goal of Unilever is to “make a sustainable living common place”. Unilever stated their strategic aim is to grow the business while reducing environmental impact (Unilever, 2025). They aim to help build trust and support business performance.

At India, HUL's end-to-end scaled programs (water, hygiene, livelihoods, plastics circularity, and regenerative agriculture) gave life to Unilever's sustainable leadership and mission categories (nutrition/hygiene/personal care) and reached a diverse ecosystem of stakeholders, achieving regulatory requirements while driving brand-adjacencies (Busan declaration 2024). In Nepal, UNL's focused programs (Himalayan waste removal, plastics recovery, disaster relief, anti-trafficking, woman empowerment, consumer awareness) actualized Unilever's purpose "make sustainable living commonplace" due to their prioritizing environmental integrity and community resilience, which align well with the stakeholder needs and national context (UNL, 2024). In India and Nepal, HUL and UNL presents sustainability as integrated with business objectives.

The stakeholder includes customers, communities, small farmers and suppliers, governments, employees, shareholders. The expectation of the customers is to improve product relevance and trust (health, hygiene and affordability) (HUL; UNL, 2025). In India and Nepal, health and hygiene campaign was launched through Lifebuoy to reduce disease through handwashing which meets the objectives of customers. The expectation of communities is to build social license, reduce community risk, and create goodwill (UNL, 2025). In India, they launch a project shakti project to financially empower and provide livelihood opportunities to women in rural India. In Nepal, they organize a campaign called Mountain cleanup campaign to reduce Himalayan waste (UNL, 2025).

This aligns with the Unilever objectives i.e. to protect natural resources and brand reputation in a country (Unilever, 2025). The expectation of government is alignment with policy and access to public partnerships and national programmes. In India, HUL has a contribution or participation in government sanitation and water programmes that reference of national schemes in CSR reporting (HUL, CSR reports, 2025). In Nepal, UNL has a collaboration with national actors (Nepal Army) (UNL, CSR reports, 2025). This shows how HUL and UNL link national priorities with Unilever objectives.

Unilever's CSR in India and Nepal is strategically integrated with organizational goals. Both subsidiaries translate Unilever's purpose into practice; however, whereas HUL deploys scale, systems, and multi-sector coverage related to growth and regulation, UNL deploys place-based and in-context environmental stewardship and social protection. Each subsidiary closely aligns with their local community stakeholder needs.

4.3 CSR dimension and their Impact on Financial Performance

This section highlights the impact of different dimensions of CSR- economic, legal, ethical and charitable responsibilities on the financial performance of Hindustan Unilever Limited (HUL) and Unilever Nepal Limited (UNL). Carroll's pyramid provides the conceptual structure for this analysis. This model helps map which CSR action might produce what kind of financial outcome. The hypothesis was tested using correlation and regression analysis on secondary data from HUL and UNL where the dependent variable is corporate performance (CP) and independent variable are economic responsibility (ER), legal responsibility (LR), ethical responsibility (E) and charitable responsibility (CR).

4.3.1 Hindustan Unilever Limited

a) Model Fit summary

Table 4.6 *Model Fit Summary HUL*

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.658[a]	0.434	0.371	5.44050	1.620

a. Predictors: (Constant), CR, ER, LR, E
b. Dependent Variable: CP

Table 4.6 presents a strong, positive correlation (R = 0.658) between the CSR dimensions (CR, ER, LR, E) and corporate performance (CP). The predictors account for 43.4% of the variance score in CP ($R^2 = 0.434$). The adjusted R^2 (0.371) indicates good fit of the model with controlled error.

b) Anova

Table 4.7 *Anova HUL*

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	815.537	4	203.884	6.888	.000[b]
	Residual	1065.566	36	29.599		
	Total	1881.103	40			

a. Dependent Variable: CP
b. Predictors: (Constant), CR, ER, LR, E

The ANOVA table confirms that the regression model has statistically significant (F = 6.888, Sig. = 0.000) this suggests that the CSR dimensions (CR, ER, LR, E) as a whole effect on corporate performance (CP). Furthermore, the explained variance (815.537) is substantial in comparison to the residual variance, which indicates that the overall model is valid.

c) **Correlation Analysis**

Table 4.8 *Correlation Analysis HUL*

Correlations

	CP	ER	LR	E	CR
CP	1				
ER	0.248	1			
LR	.566**	0.224	1		
E	-0.146	-0.042	-0.216	1	
CR	-.394*	-0.154	-0.185	-0.302	1

Correlation is significant at the 0.01 level (2-tailed).

Correlation is significant at the 0.05 level (2-tailed).

The table 4.8 of correlations reveals the association between Corporate Performance (CP) and the several CSR dimensions. Corporate legal responsibility (LR) has a strong correlation with CP ($r = 0.566$; significant at 0.01 level) suggesting that simply obeying regulations positively affects performance. Corporate economic responsibility (ER) has weak positive correlation ($r = 0.248$), but this is not statistically significant. In terms of Corporate ethical responsibility (E), there exists a weak, negative correlation ($r = -0.146$); suggesting influence is either limited or inverse. Corporate charitable responsibility (CR) has a moderate negative correlation with CP ($r = -0.394$; significant at 0.05 level), suggesting that charitable responsibility does not readily lead to greater profitability. Therefore then, from the correlations, legal compliance, perhaps for deflecting liability, appears to be a much better driver of corporate performance than altruistic or ethical considerations.

d) Regression Analysis

Table 4.9 *Regression Analysis HUL*

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	Upper Bound	Collinearity Statistics Tolerance	VIF
1	(Constant)	38.612	7.820		4.938	0.000	22.752	54.471		
	ER	0.002	0.003	0.088	0.678	0.502	-0.004	0.009	0.936	1.069
	LR	0.007	0.002	0.451	3.322	0.002	0.003	0.011	0.855	1.170
	E	-0.002	0.002	-0.148	-1.077	0.289	-0.006	0.002	0.831	1.204
	CR	-1.644	0.661	-0.342	-2.487	0.018	-2.985	-0.303	0.830	1.205

a. Dependent Variable: CP
b. Independent Variable: ER, LR, E, CR

The coefficients table 4.9 gives a clear view on how the various CSR dimensions impact Corporate Performance (CP). For the Economic Responsibility (ER) dimension, there was a positive, but insignificant effect ($\beta = 0.088$, $p = 0.502$), as it can be inferred that profitability through financial performance is not the most significant driver of performance. This means that CSR initiatives tied to business strategies such as Project Shakti may contribute to performance, but the effect is weak. This provides some support for H1: the relationship is positive, but not strong enough to be statistically significant.

For Legal Responsibility (LR), there is a significant positive with CP ($\beta = 0.451$, $p = 0.002$), indicating that being accountable for laws and regulations is likely the single most substantial contributor to improved corporate performance. This guarantees that the compliance of HUL with section 135 of the Companies Act (2013) and other provisions of regulation is closely tied to financial legitimacy, investor trust and long-term stability. This strongly supports H2 i.e. legal responsibility has a positive relationship with corporate performance which suggests that legal compliance is central to business performance.

For Ethical Responsibility (E), there was a negative, but insignificant effect ($\beta = -0.148$, $p = 0.289$), indicating that being ethically responsible and acting ethically might not necessarily demand similar increase in profitability as conforming to the law. This indicates that initiatives like sustainable sourcing and ethical supply chain practices do not always translate into financial gains immediately, especially in a competitive FMCG market. This does not support H3 i.e. ethical responsibility has a positive relationship with corporate performance. According to Mishra & Suar, 2010, ethical CSR enhances reputation and trust, which may yield benefits in the long run.

There was a significant negative path with Charitable Responsibility (CR) ($\beta = -0.342$, $p = 0.018$), which implies while philanthropy improves on being social responsibility, it is likely to reduce profits since resources to donate were utilized for resources that would provide an immediate monetary return to the firm or through some financial benefit to the firm. For HUL, charitable appears to be a financial cost rather than a tool of profitability. This contradicts H4, aligning with Lantos (2002), who argued that purely altruistic CSR may conflict shareholder value in large corporations.

In summary of the coefficient results, the CSR dimension that potentially maximized corporate performance was LR, even if it did not provide any social improvement. Overall philanthropic giving, while social responsibility, is viewed as a cost without any first return on money spent towards green initiatives and charitable giving that improves social community without a measurable return on investments. The above findings underline that in India, CSR dimensions tied to regulation and business strategy (economic and legal) are more financial performance, while ethical and charitable dimensions remain marginal or even detrimental in the short term.

4.3.2 Unilever Nepal Limited

a) Model Fit summary

Table 4.10 *Model Fit Summary UNL*

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.844[a]	0.712	0.654	6.24420	2.590

a. Predictors: (Constant), CR, ER, E, LR
b. Dependent Variable: CP

Table 4.10 shows a strong relationship (R = 0.844) between the CSR dimensions (CR, ER, E, LR) and CP (corporate performance). The R^2 value of 0.712 explained indicates that these CSR dimensions explain 71.2% of the variance in CP. The adjusted R^2 value of 0.654 demonstrates that the model is robust. The Durbin-Watson value (2.590) does not indicate any serious problems of autocorrelation.

b) Anova

Table 4.11 *Anova UNL*

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1928.000	4	482.000	12.362	.000[b]
	Residual	779.801	20	38.990		
	Total	2707.801	24			

a. Dependent Variable: CP
b. Predictors: (Constant), CR, ER, E, LR

Table 4.11 indicates that F = 12.362, Sig. = 0.000 for the model means that it is statistically significant, and demonstrates that the CSR dimensions (CR, ER, E, LR) are having significant effects on corporate performance (CP) collectively. The overall regression explained a large (1928.000) proportion of variance in corporate performance (CP) based on the residual level (779.801), demonstrating the effectiveness of the model.

c) Correlation Analysis

Table 4.12 *Correlation Analysis UNL*

Correlations

	ER	LR	E	CP	CR
ER	1				
LR	0.231	1			
E	-0.320	0.053	1		
CP	-0.125	-.836**	0.004	1	
CR	-0.037	.791**	-0.099	-.667**	1

Correlation is significant at the 0.01 level (2-tailed).

The correlation results indicate intriguingly complicated relationships between that of the CSR dimensions and Corporate Performance, (CP). Legal Responsibility (LR) has a very strong correlation to CP (r = -0.836, significant at the 0.01 levels). Charitable Responsibility (CR) also shows a significant correlation with CP ($r = -0.667$, $p < 0.01$), meaning that while the expenditure on philanthropy does not directly add to performance, it does not seem to penalize organizations that do make philanthropic contributions. LR and CR are both strongly positively correlated ($r = 0.791$, $p < 0.01$) implies that the greater the firm complies with laws, the greater the apparent engagement with philanthropy. Economic Responsibility (ER) and Ethical Responsibility (E) show weak insignificant correlations with (CP). Additionally, the overall results and meaning of either LR or CR mean that a firm focusing too much on regulatory and philanthropic responsibility is likely to have mixed and potentially unprofitable consequences.

d) Regression Analysis

Table 4.13 *Regression Analysis UNL*

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	95.0% Confidence Interval for B Upper Bound	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	16.975	53.832		0.315	0.756	-95.317	129.268		
	ER	14.832	16.758	0.133	0.885	0.387	-20.125	49.790	0.637	1.570
	LR	-0.282	0.070	-0.954	-4.011	0.001	-0.428	-0.135	0.255	3.926
	E	0.076	0.099	0.107	0.764	0.454	-0.131	0.282	0.734	1.362
	CR	0.183	0.409	0.103	0.447	0.660	-0.670	1.035	0.270	3.702

a. Dependent Variable: CP

b. Independent Variable: ER, LR, E, CR

The table 4.13 demonstrates how each CSR dimension has an impact on Corporate Performance (CP). Economic Responsibility (ER) has a positive effect that is noticeable but insignificant ($\beta = 0.133$, $p = 0.387 > 0.05$), indicating that, even if the financial initiatives have or do not have a strong influence on performance which indicates that economic responsibility strongly tied with to operational efficiency and cost reductions such as recycling 30050 KL of water annually. Thus, this supports H1 where economic responsibility has a positive relation with company performance.

Legal Responsibility (LR) indicates a strong negative and significant effect ($\beta = -0.954$, $p = 0.001$), signifying that whilst compliance is a regulatory requirement, excessive costs related to regulation may decrease profitability. Though Nepal's Industrial Enterprises Act (2019) formally requires 1% of profit allocation to CSR, its lack of enforcement makes its effect symbolic in nature. Thus, legal responsibility contributes more to legitimacy and goodwill than to actual financial outcomes.

This does not support H2 that legal responsibility has a positive relation with corporate performance.

Ethical Responsibility (E) has a small positive but insignificant effect ($\beta = 0.107$, $p = 0.454$) and signifies that ethical initiatives improve the reputation but do not contribute to directly and positively influencing financial performance. Initiatives such as Mountain Cleanup Campaign enhance community trust and employee loyalty it is harder to quantify but these ethical practices indirectly strengthen brand equity and long-term sustainability. Thus, this partially supports H3 that ethical responsibilities have a positive but weak relation with corporate performance but do not improve financial performance.

Charitable Responsibility (CR) also has a weak positive but insignificant effect ($\beta = 0.103$, $p = 0.660$) and points out that philanthropy does not seem to have a lot of influence on profit. Philanthropy is highly impactful as initiatives like earthquake relief and public drivers fill gaps left by limited state capacity. These enhance goodwill and social acceptance, indirectly contributing to corporate strength and performance. Thus, this also partially supports H4 that charitable responsibilities indirectly help financial benefits.

In assessing the four dimensions of CSR and Corporate Performance, we could state that Legal Responsibility does not seem to positively affect Corporate Performance. The remaining three socially responsible corporate dimensions indicated weak or no significant relationships, indicating that it appears that the CSR practices did not improve financial performance but might improve their reputation or general stakeholder relations.

SECTION V

5. Discussion

This study significant differences in the CSR strategies and their significance on corporate performance between the two subsidiaries, HUL (India) and UNL (Nepal). HUL displays a stronger altruistic orientation with a reported ₹234 crore (2.63%) in CSR spend, in excess of the 2% that is required. HUL's CSR initiatives occur on large scales and include, but are not limited to, Prabhat, Shakti, SAFAL, Circular Bharat, climate, water, and health programs. They are broad in their portfolio, which demonstrates voluntary, community-focused engagement rather than activity for the purpose of compliance only. In comparison, UNL reported NPR 25.46 million (1.05%), slightly greater than their 1% requirement and the interventions they implemented were specific and place based. Most importantly, UNL offered Himalayan waste removal, disaster relief, anti-trafficking awareness, and yoga activities. These interventions appear more restrictive and are characterized by a combination of compliance and selective altruism. Academic literature suggests that CSR should be sensitive to geographic context therefore characterizes CSR practices as context-sensitive and reflecting values held by the stakeholder, also in developing countries (Jamali & Karam, 2018; Bondy & Starkey, 2014). These findings extend the work of Jamali & Karam, (2018) by providing subsidiary-level evidence that CSR in developing economies adapts to institutional strength and confirm Husted and Allen’s (2006) assertion that MNCs experience tensions between global integration and local responsiveness.

Second, the results align with Stakeholder Theory by showing how CSR strategies reflect the salience of different stakeholder groups across contexts. Both subsidiaries plan their CSR efforts to be aligned with corporate goals and stakeholder expectations but develop their strategies differently. HUL operationalizes Unilever’s sustainability mission in a way that incorporates big, multi-sector programs with implications for multiple stakeholders in India. HUL specifically mentioned efforts towards enhancing the welfare of poor people in India, to address environmental sustainability, and to guarantee futures for women and the socially excluded to an extent. Stakeholder coverage is extensive, ranging from regulators and rural women to farmers, waste pickers and urban consumers which supports Mahajan et.al., 2023 argument on stakeholder salience. UNL focuses to the local needs in a developing context, and the CSR reports reflect stewardship for the environment, care for the community, and awareness of social issues. The study's findings add to the literature on MNC's efforts at balancing global strategic objectives with responsiveness to local conditions and needs (Aguilera et al., 2017; Kim et al., 2019). These findings also extend Mahajan et.al., 2023 by showing that stakeholder salience is not only dynamic but also highly contextual, differing significantly between subsidiaries of same MNCs.

Third, applying Carroll's pyramid of CSR highlights the varying hierarchy of CSR responsibilities across context. The analysis of the different dimensions of CSR presents differences between the countries, in part related to regulatory and institutional aspects of the countries' environments, with economic and ethical responsibility and charitable responsibility having a negative impact on short-term financial performance in Nepal. In Nepal, legal responsibility has a significant and positive impact on profits; however, economic and ethical responsibilities are insignificant with charitable responsibility having a negative impact on immediate profits. In the case of India, legal responsibility has a negative and significant impact on profits while economic, ethical, and charitable responsibility are again statistically insignificant. But the big picture of all understanding the total model of India ($R^2 \approx 0.712$) indicates a strong relationship between CSR engagement and financial performance. The above illustrates the importance of understanding the regulatory and institutional context in terms of financial dimensions of CSR, consistent with past research that illustrates that CSR dimensions are based on context (Kandpal et al., 2024; Jung & Kang, 2016). These findings contradict Lantos (2002), who argued that altruistic CSR is immoral for publicly traded firms, since HUL demonstrates that voluntary CSR can coexist with profitability and legitimacy.

In summary, both companies meet the minimum compliance requirement; HUL pursues CSR that is both imperative and altruistic and broader based, while UNL pursues direct and targeted activities focused on the community. CSR is complex and multifaceted, and financial performance results indicating consideration of the legal, economic and ethical dimensions of CSR are dependent on how companies strategically align with local stakeholder expectations and globally focused corporate objectives.

5.1 Major Findings

RQ1: How does Unilever's CSR strategy in Nepal and India contrast in terms of altruistic (voluntary, community-driven) and imperative (regulatory, compulsion-driven) approaches?

- HUL (India) follows the Companies Act 2013 which mandates 2% CSR spending it is because CSR activities are HQ driven which ensures high visibility and global sustainability goals. Therefore, India CSR approach is imperative (compliance-based).
- UNL (Nepal) follows the Industrial Enterprises Act 2020 which spend 1% of its profits on CSR where CSR approach is localized and altruistic (voluntary-based).
- This conforms to the role of institutional context in shaping CSR orientation.
- Therefore, comparing Unilever's CSR approaches in India and Nepal is instructive. The Companies Act, 2013 in India has established CSR contributions and, thus, a coercive institutional environment by mandating that all large firms contribute to CSR, while in Nepal, a weaker regulatory environment with expectations primarily based on community-lead, altruistic voluntary CSR initiatives may potentially lead to more altruistic, voluntary choices.

RQ2: How do Unilever's CSR activities correspond to its organizational objectives and stakeholders in India and Nepal?

- Despite having distinct stakeholder settings, CSR initiatives of both Nepal and India align with Unilever's global mission of "making sustainable living commonplace"
- HUL operationalizes purpose through scale & systems while addressing the interest of stakeholder and Unilever objectives and also meeting regulatory requirement like water security, hygiene, livelihoods, plastics circularity, regen agriculture, supporting adjacency to brands (nutrition/hygiene/personal care); linked into national priorities; consumer engagement, rural women entrepreneurs, farmers, waste workers
- UNL priorities CSR initiatives localized towards community welfare and development while addressing Unilever objectives and stakeholder needs like high altitude waste removal; plastics recovery; disaster response; social protection linked to mountain communities, municipalities, vulnerable groups, women, and consumers.
- Conclusion, both maps closely to Unilever's objectives; HUL leans into breadth and market-system change; UNL leans into local environmental stewardship and community care.

RQ3. How economic responsibility, legal responsibility, ethical responsibility and charitable responsibility impact Corporate Performance in India and Nepal?

- UNL (Nepal): LR was shown to have a negative and statistically significant effect, indicating that compliance in a relatively stricter regulatory approach may be decreasing margins. CR, and E have a positive impact on corporate performance.
- HUL (India): Legal Responsibility (LR) emerged as a positive, significant driver of profitability, meaning that compliance-related actions-built trust and legitimacy in an emerging market setting. However, Ethical Responsibility (E) were not statistically significant. Charitable Responsibility (CR) had a negative and significant effect, implying that charitable activities create an upfront cost that may hinder short-term profitability.
- In conclusion, the result appears different because in Nepal the corporate sector is small, and CSR activities is highly visible that make stakeholder relationships strong and that directly lead to improve corporate performance and vice versa.

SECTION VI:
CONCLUSION

6.1 Conclusion

This study used a mixed-method research design, both qualitative and quantitative, to investigate and compare CSR practices of Unilever in India (HUL) and Nepal (UNL). The descriptive part of the study provided a comprehensive description of the CSR activities in each of the countries, while the causal-comparative part of the study used the dimensions of CSR - economic, legal, ethical, and charitable and compared CSR activities to corporate performance. Data was collected from secondary sources, including annual reports, CSR disclosures, sustainability reports, and company websites, and data were analyzed with SPSS using descriptive statistics, correlation, and regression analyses.

The findings showed a clear difference in the CSR strategies at each subsidiary because of scale, law, priorities and local partnerships. HUL had a broad and altruistic focus with its CSR activities, exceeding the statutory requirement of 2% by investing ₹234 crore (2.63%) in multi-sector programs for climate, water, health, livelihood and regenerative agriculture, showing voluntary and compliance reasons leading the CSR. On the other hand, UNL just exceeded the 1% minimum requirement by investing NPR 25.46 million (1.05%), focusing on community-specific activities for initiatives such as environmental protection, disaster relief, anti-trafficking campaigns, and public health awareness.

The effect on CSR dimensions on firm performance varies across subsidiaries. In Nepal, legal responsibility has a positive and significant effect on financial performance, while charitable responsibility has a negative impact on short-term results, and economic and ethical responsibilities show no significant effect. In India, meanwhile, legal responsibility has a negative effect on profits, but all others are statistically insignificant despite the overall model suggesting that CSR and corporate performance endpoints were more strongly linked.

In general, both subsidiaries recognize CSR initiatives should align with the aims of the organization and expectations of stakeholders but do so in contextually specific ways. HUL deploys a large scale and multi-sectorial strategy that appears to come from altruism and regulatory obligation, but UNL prioritized place-based programs that promoted environmental stewardship and community wellbeing with fewer aspects contributing to charitable altruism. The findings reveal how institutions and regulations shape CSR strategies, even when financially rewarded, while also reinforcing initial research that stated global corporations must balance the global corporate agenda with local stakeholder reactions.

In conclusion, the study indicates the CSR practices of multinational corporations are constructed not solely by regulatory obligations but are influenced by the strategic, cultural and contextual realities of the environment that the corporations are placed in. Mixed-method analysis was undertaken to gain a more thorough understanding of the socio-institutional complexities, but also theoretical explanations to contribute towards understanding the two competing objectives of regulation and altruism in CSR in developing economies.

6.2 Managerial Implication

- Companies should do more than only comply with the law but also pursue voluntary initiatives that have value to the community. This also builds trust, which can be beneficial to the company's image.
- Managers will need to invest their resources intended for CSR activities to undertake worthwhile programs. Some programs such as contributions to charities may not be profitable in the short run; however, compliance-based programs have been found to improve corporate performance.
- Community and stakeholder engagement responsibility must be chief considerations of CSR. By engaging with the local people, it will be clear that the organization's activity has more meaning and possibly can create a better situation within the community.
- CSR activities must fit the organization's purpose (i.e., sustainability, improving brand image, employee fulfilment) consistency in both countries.
- Managers will need to make their CSR programs cognizant of the local context, as what works in India may not connect as well in Nepal. There needs to be consideration for local laws with respect to CSR activity, the reality of the local culture and the current needs of the community.
- Organizations must be sincere in their implementation and reporting of their CSR activity. Being transparent builds trust and shows that organizations believe in their purpose in society.

6.3 Limitations

- Small Sample Size: This study examines only two subsidiaries of Unilever Hindustan Unilever Limited (India) and Unilever Nepal Limited. The small sample size creates a limitation for any findings to be generalized to other multination corporations (including other industries) in south Asia.
- Context-Specific Findings: The conclusions are contextually bound by the laws, culturally, and economic in India and Nepal. Further, the conclusions related to CSR strategy, stakeholders, etc., and corporate performance cannot blanket other countries with different types of institutions or regulatory contexts.
- Dependence on Secondary Data: The research relies purely on publicly available secondary data, which consists only of annual reports and CSR disclosures that were publicly available. The captured insights may be limited, as some internal practices, strategic decision-making, and challenges to CSR implementation may not be identified.

6.4 Suggestions for Further Study

- Future research could involve multiple multinational corporations from various industries located in South Asia to obtain a more generalizable understanding of corporate social responsibility (CSR) strategies and how they impact corporates' performance.
- Extracting information from interviews, surveys, or focus groups with managers, employees and stakeholders would add depth and clarity to CSR decision-making, challenges and perceived experiences some managers and corporations may have which is required research context that could be in different public reports.
- Researchers may also want to examine CSR actions and how they impinge on corporate performance over an extended time horizon to experience both immediate and delayed insights, including reputational and financial consequences.
- Future research could consider CSR strategies in alternative countries with a different legal-stakeholder and cultural-economical context to determine how local context mediates the tradeoff between altruistic CSR and imperative CSR strategies.

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APPENDIX

1. Appendix 1

The data sources for each research questions are presented as below:

Qualitative data collection	Sources and contents	Sources
RQ1: How does Unilever's CSR strategy in Nepal and India contrast in terms of altruistic and imperative approaches?	UNL & HUL Annual Reports (2021–2025); Annual Reviews; Unilever Social Review 2000; HUL CSR Policy; Report on Review of Impact Indicators (Hindustan Unilever Foundation, 2024); HUL Key CSR Projects Approved FY2025/26; HUL's CSR Impact Report 'Waste Free World'; Swastha Nepal Sakshyam Nepal Hamro Nepal Report;	www.unileverannualreports.com https://www.hul.co.in/investors/corporate-governance/policies/corporate-social-responsibility-policy https://www.hul.co.in/files/3d93f408-6c69-460d-bfb0-3c544208ae51/hul-impact-assessment-water-conservation-projects-fy-2022-23.pdf https://www.hul.co.in/files/60f57b18-1973-4f0c-8536-2acae1461783/hul-summary-of-csr-projects-approved-by-the-board.pdf https://www.unilevernepal.com/legal-and-financial-resources/ www.unilevernepal.com
RQ2: How does Unilever's CSR activities correspond to its organization's objectives and stakeholders in India and Nepal?	Same sources as RQ1 used for content analysis of CSR objectives and stakeholder alignment: UNL & HUL Annual Reports (2021–2025); CSR Policy; Impact Assessment Reports (Prabhat 2022-23,	https://www.unilevernepal.com/files/unl-ar-2018-19.pdf https://www.hul.co.in/files/45092c76-dc1e-4539-adbe-16d076c49a38/corporate-social-responsibility-policy-t3wkc3.pdf https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/hul-annual-report-related-documents/

2. Appendix 2

RQ3: How do economic responsibility, legal responsibility, ethical responsibility and charitable responsibility differ in terms of impact on corporate performance in India and Nepal?

Quantitative data collection	Independent variable	Dependent variable	source
Hypothesis 1: economic responsibility has a positive relationship with corporate performance	Economic responsibility	Corporate performance	https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/annual-report-archives/ https://www.unilevernepal.com/legal-and-financial-resources/
Hypothesis 2: Legal responsibility has a positive relationship with corporate performance	Legal responsibility	Corporate performance	https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/annual-report-archives/ https://www.unilevernepal.com/legal-and-financial-resources/
Hypothesis 3: Ethical responsibility has a positive relationship with corporate performance	Ethical responsibility	Corporate performance	https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/annual-report-archives/ https://www.unilevernepal.com/legal-and-financial-resources/
Hypothesis 4: Charitable responsibility has a positive relationship with corporate performance	Charitable responsibility	Corporate performance	https://www.hul.co.in/investors/annual-reports-and-performance-highlights/annual-reports/annual-report-archives/ https://www.unilevernepal.com/legal-and-financial-resources/

3. Appendix 3

1. Data for Hindustan Unilever Limited (HUL) in Crores

Year	Economic Responsibility (ER)	Mandatory CSR Requirement	Legal Responsibility (LR)	Ethical Responsibility (E)	Charitable responsibility (CR)	ROE	ROA	Average net profit
2024	233.73	178.23	178.23	188.00	30	20.00	13.12	8911
2023	227.00	156.73	156.73	171.40	26	20.10	13.86	7837
2022	185.73	138.19	138.19	188.70	22	14.17	11.67	6909
2021	162.19	120.07	120.07	204.20	18	83.37	34.37	6004
2020	143.74	105.09	105.09	162	14	81.22	33.78	5254

Where we calculate,

ER= CSR expenditure

LR= Mandatory requirements (2% of average profit of 3 years)

E= Employment retirement fund

CR= Donations and charity program expenditures

CP= ROE and ROA

2. Data for Unilever Nepal Limited (UNL)

Year	Economic Responsibility (ER)	Legal CSR Requirement	Legal Responsibility (LR)	Ethical Responsibility (E)	Charitable Responsibility (CR)	ROE	ROA
2024	26179842	24199142	24199142	82815240	8.0000	40.00	28.00
2023	26569906	22618591	22618591	22470671	11.8000	42.47	28.81
2022	19910592	19014830	19014830	21149821	10.5000	42.00	27.00
2021	11818528	10615197	10615197	143128866	11.1000	33.00	18.00
2020	6712384	5781090	5781090	13437379	11.6000	18.00	10.00

Where we calculate,

ER= CSR expenditure

LR= Legal requirements (1% of profit)

E= Employment retirement fund

CR= Donations and charity program expenditures