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The price of green: Comparing source redesign and collection and offset packaging strategies at Godrej consumer products and Hindustan Unilever

Raghav Singhal

Dyson School of Applied Economics and Management, Cornell University, United States

*Correspondence: rs2697@cornell.edu

Abstract

Indian fast moving consumer goods firms face growing pressure from regulators, investors, and consumers to reduce plastic packaging waste, reinforced by mandatory disclosure under SEBI's BRSR Core framework and Extended Producer Responsibility rules. This comparative case study evaluates two contrasting strategies: Godrej Consumer Products (GCPL), which redesigns packaging at source, and Hindustan Unilever (HUL), which relies on collection and offset. The analysis combines BRSR Core disclosures, integrated annual reports, and audited financial statements for fiscal 2022/23 to 2024/25 with a consumer survey (n = 134) and one interview with an HUL manager. The two firms are benchmarked on seven dimensions: ESG progress, collection performance, cost efficiency, financial performance, regulatory risk, consumer perception, and disclosure quality. A scenario analysis projects outcomes to 2030. GCPL closed about 80% of the gap to its near term recyclability target at a much lower estimated cost per point of progress, while HUL closed 26.4% of the gap to its recycled content target. GCPL's progress coincided with a fall in net profit margin from 19.74% to 13.49%, whereas HUL's margins stayed stable. Estimated penalty exposure is small for both firms today, but HUL's would rise roughly tenfold if its progress stalled. Neither strategy wins on every dimension: GCPL leads on five of seven and HUL on financial performance and consumer perception. Several HUL figures are estimates and the financial comparison is descriptive rather than causal. The study offers a replicable benchmarking and scenario framework and recommends that firms choose between redesign and collection according to packaging format, regulatory runway, and brand position.

***Keywords*:** Sustainable Packaging, Extended Producer Responsibility, ESG Disclosure, Fast Moving Consumer Goods, India, Capital Efficiency, Case Study, Plastic Waste

JEL Classification: Q53, Q56, Q58

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1. Introduction

The plastic packaging crisis is arguably one of the most high-profile and significant aspects of corporate sustainability in the Indian Fast-Moving Consumer Goods (FMCG) industry. The country produces approximately 3.5 million tonnes of plastic waste per year, with many of the major players in the FMCG market being amongst the largest contributors due to the widespread use of sachets and single-use packaging (Ministry of Environment, Forest and Climate Change [MoEFCC], 2022). As such, the FMCG sector is under increasing pressure from regulators, investors and customers alike to show measurable improvements in reducing packaging and promoting recycling (MoEFCC, 2022). Over the past few years, there has been a fundamental shift in terms of the regulatory environment. From FY2022–23, all top 1000 listed companies were required to disclose third-party assured information related to their volume of plastic packaging, percentage of recycled content within that packaging, and compliance status with extended producer responsibility (EPR), all of which are core elements of the new BRSR (Business Responsibility Reporting) requirements issued by SEBI. In addition, the Plastic Waste Management (Amendment) Rules, 2022 include provisions prohibiting the manufacture, sale, or importation of various single-use plastics, including those used by FMCG companies (MoEFCC, 2022). Furthermore, the rules also mandate minimum levels of recycled content in all packaged goods sold in the country (Central Pollution Control Board [CPCB], 2024). Failure to comply with either of these regulations may result in financial penalties. Therefore, whilst previously sustainable packaging was something that FMCG companies were encouraged to adopt voluntarily as part of their CSR programmes, it is now a quantifiable element of company reporting where failure to meet regulatory standards can attract serious financial consequences.

Both companies approach sustainable packaging in different ways. GCPL has prioritized redesigning its packaging at the source, reducing the volume and material intensity of plastic entering its supply chain in the first place (GCPL, 2024a, 2025a), whereas HUL has prioritized collection-and-offset, investing in infrastructure to recover plastic waste after it has already entered the market (HUL, 2024a, 2025a). This difference in strategy raises a number of questions. Which method, source redesign or collection-and-offset, results in greater credibility and lower financial burden, as well as financial risk; and what do these findings suggest about sequencing investment decisions relating to sustainability in FMCG companies? This research examines these questions using a comparative case-study methodology based upon publicly available secondary data, including BRSR Core submissions, publicly available primary data sourced from customer surveys, and benchmarking of the financial performance of both companies.

2. Industry Context

2.1 Regulatory Landscape and Financial Stakes

India's EPR structure includes financial risks through monetary sanctions for failing to meet requirements for plastic waste collection and recycling in packaging. Brand owners who fail to

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comply with their EPR requirements under the Plastic Waste Management Rules (2022), may face fines as high as ₹5000/ton of plastic, which will be implemented through the Central Pollution Control Board (CPCB, 2024). A potential material financial risk for HUL given its size could arise if there were an EPR penalty levied against HUL due to failure to meet a 15% recycled content requirement based upon all of the India packaged volumes of HUL (HUL, 2025a). This potential material financial risk is identifiable using disclosed packaging volume information (see Section 6, Table 5).

SEBI's BRSR Core mandate that requires disclosure of the required BRSR Core metrics such as packaging KPIs (plastic use; recycled content; compliance with EPR requirements) of the top 150 publicly traded firms in India based on market capitalization starting FY2022–23 (SEBI, 2021) adds additional standardization and therefore comparability for cross-firm analysis, which this study will utilize. In addition, the ongoing UN Global Plastics Treaty negotiations (UNEP, 2026) and the EU's Packaging and Packaging Waste Regulation have set forth internationally binding minimum recycling levels in packaging (European Commission, 2025). Therefore, any firm exporting products to international jurisdictions or having international institutional investor interests will also have increased financial exposure.

2.2 Consumer Pressure and Market Context

Urban India now includes a significant number of people who have increased their awareness about plastic waste generated through consumer packaging. In its own survey, this study (n = 134) found that 54.5% of participants recognized that Indian FMCG companies are obligated to reveal plastic packaging and recycling information under BRSR/ EPR regulatory requirements; while 59% expressed a willingness to pay an additional cost for environmentally friendly packaged products. That willingness to pay was very much related to age; 76.7% of those aged 40+ had expressed such a desire to pay an additional fee versus just 42.5% of the 18- 25-year-old group. This result generally mirrors estimates of other nationally representative studies. According to these studies, over 70% of Indian consumers express a willingness to pay a higher price for eco-friendly products, with an estimated average premium of over 20%, the greatest of all eleven countries studied (Bain & Company, 2023). As it relates to financial planning, this demand-side shift offers two different options (premium for sustainability, brand equity eroded due to association with high-profile plastic pollution), the relative magnitude of which can vary depending on the type of product being sold and demographics.

3. Literature Review

The Shared Value Framework (Porter & Kramer, 2011) states that businesses create economic value when they address societal issues related to their industry and operations. From a sustainable development perspective, it was suggested that investing in products made from recycled materials and designing them to be circular, would provide long term benefits to a company's bottom line through lower raw material costs, regulatory compliance savings, and ultimately an increased

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brand value. This article will evaluate whether this is true based on benchmarks of each company's financial performance.

The Corporate Social Responsibility Pyramid (Carroll, 1991), outlines four layers of responsibility for organizations. These are: Economic, Legal, Ethical and Philanthropic. Regulatory Compliance (EPR, BRSR) is a representation of the legal layer; while sourcing redesign and investments into circularity demonstrate a commitment to the ethical layer. It provides a basis to understand why GCPL is outperforming HUL on the ESG front: while both companies comply with regulations regarding waste disposal (collection-and-offset), only GCPL has demonstrated an ethical commitment to redesign its packaging to reduce the amount of material required. Research on ESG performance and financial outcomes in developing countries has had inconsistent results. While some studies have shown a strong correlation (e.g., ESG constituents in India showed more resilience during crisis periods in Indian stock exchanges; and India exhibits one of the strongest correlations between ESG performance and financial outcomes in comparison to other developing countries (Kayacik, 2025), others have concluded there is no statistically significant correlation or that excessive expenditures associated with ESG activities negatively affect short-term financial outcomes in developing countries due to priorities placed on growth vs. ESG concerns in those regions (Narula et al., 2024, referenced in Biju, 2025). The present study mirrors this inconsistency; although GCPLs' better ESG performance is accompanied by decreasing financial performance since the start of the study's timeframe, which supports Narula et al.'s study as opposed to what is seen in more developed country-based studies.

Prior research on packaging sustainability has focused on organizational and design-focused frameworks for achieving regulatory-compliant recyclable designs. The research also suggests that there is no universal approach to achieve regulatory-compliant recycling within FMCG companies; different strategies are used by different-sized companies, companies with varying product portfolios, and companies operating in different markets (McKinsey, 2025). The distinction examined in this study (between offsetting (collection-and-offset) and decarbonization (redesign-at-source)) has a similar conceptual underpinning to the debate about offsets versus actual reductions in greenhouse gas emissions within climate change strategy (Fankhauser et al., 2022), where the former achieves measurable near-term volume reduction at less structural cost than the latter. Although Fankhauser et al. suggest that the use of offsets may result in more near-term cost savings than decarbonization (the latter involves greater initial investment but may lead to longer-term structural changes), there is currently no published research comparing these two methods of improving packaging sustainability at the company level in Indian FMCG companies utilizing audited BRSR data combined with financial performance benchmarking, which is addressed by this study.

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4. Methodology

4.1 Research Design

This research uses an empirical comparative qualitative case study approach (Yin, 2018), incorporating quantitative financial and ESG performance data. The two companies (GCPL and HUL) were chosen based on theory-based replication logic. They are used to determine if different forms of strategic orientation (redesigning product sourcing vs. offsetting through collection) will lead to differences in outcomes for ESG, cost efficiency, financial performance, and consumer perceptions, in the same regulatory and market context. A qualitative case study methodology was used appropriately here since the key issue being explored was causal as opposed to descriptive. Additionally, the BRSR data can only be interpreted in relation to its specific context.

4.2 Case Selection

Both companies are among the top 150 NSE/BSE-listed FMCG companies subject to BRSR Core assured disclosure, ensuring data availability and comparability. Both operate across overlapping product categories, minimizing industry-specific confounds. Most importantly, they represent theoretically contrasting strategic orientations, making them a productive basis for analytical contrast.

4.3 Data Sources

The data used as secondary data is based on the data of BRSR Core disclosures (FY2022–23 to FY2024–25), Integrated Annual Reports, ESG Factbooks, Extended Producer Responsibility (EPR) compliance filings, and published analysts' reports. Data for all the financial performance metrics (e.g. revenue, margin, Return On Assets, Return On Equity) was obtained from audited standalone financial statements. For the Indian Packaging data that did not have a specific disclosure related to packaging, estimates of packaging were made using other sources, and the estimate was identified as such. Primary data was collected through a consumer survey (n=134, August 2026) of a structured questionnaire (Appendix 1) that collected data about: demographic information; sustainability awareness; willingness to pay a premium for a product packaged in sustainable materials; and preferences between collection-based vs. redesign-based waste reduction strategies. A Semi-structured interview was also completed with the Operations Manager at HUL to obtain an internal operational perspective on packaging and environmental protection reporting strategy (not available via publicly disclosed documents).

4.4 Analytical Framework

The performance measures span seven benchmarking dimensions. ESG Progress uses the Progress-to-Target Ratio (PTR): (current value − baseline) ÷ (target − baseline) × 100, normalizing each company on a 0–100% scale using its own disclosed metric (GCPL's recyclability %, HUL's recycled content %). Collection Performance compares total plastic collected to plastic placed on

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the market. Cost Efficiency measures sustainability CapEx/R&D per PTR point, with stated assumptions where packaging-specific spend isn't disclosed. Financial Performance uses 3-year revenue CAGR, gross margin, net margin, and ROA from audited standalone financials, applied as benchmarks rather than to establish causation. Regulatory Risk estimates penalty exposure under India's Plastic Waste Management Rules as a % of EBITDA. Consumer Perception draws on survey-based willingness-to-pay and unprompted brand recognition data. Disclosure Quality assesses granularity, consistency, and third-party assurance of each company's public reporting. A scenario sensitivity analysis (base/accelerated/stalled) projects 2030 outcomes and costs under varying assumptions.

5. Company Profiles

5.1 Godrej Consumer Products Limited (GCPL)

GCPL is an Indian Fast-Moving Consumer Goods company with revenue of approximately ₹8779 crore in fiscal year 2024–25 (GCPL, 2025b). GCPL operates through a portfolio of brands that include home insecticides, hair colorants, soaps, and other hygiene products in over 85 countries (GCPL, 2025b). As part of its 'Good & Green' sustainable development strategy, GCPL has set out to ensure that by fiscal year 2025, fifty percent of all its plastic packaging will be recyclable (GCPL, 2025a), and has also indicated it intends to reach eighty percent recyclable packaging in the long term while achieving a twenty-plus percent decrease in packaging weight from its FY2019–20 base. The BRSR Core disclosure reports have been third-party audited by KPMG for consistency since FY2022–23.

5.2 Hindustan Unilever Limited (HUL)

HUL is India's biggest FMCG firm, with a turnover of ₹60 853 crore (FY2024–25) (HUL, 2025b), and operates across three categories: Home Care (Surf Excel, Vim); Personal Care (Dove, Lux & Ponds); Food & Refreshments (Horlicks & Knorr) (HUL, 2025b). HUL also follows Unilever's global "Compass" sustainability strategy, which sets out global environmental pledges (HUL, n.d.). HUL has invested significantly in plastic waste collection infrastructure in India and states it has collected a net surplus of plastic waste relative to its own packaging since 2021 (HUL, 2025a); however, since April 2023, most of this has been achieved through the purchase of Extended Producer Responsibility (EPR) credits from third-party waste processors, rather than direct collection (HUL, 2025a). Despite this investment, HUL continues to face criticism for its use of sachet-format packaging, which is critical for rural market penetration but generates near-zero value for waste collectors (UKHI, 2026).

6. Comparative Findings

Note: Unless otherwise cited, all GCPL and HUL data presented in this section (6.1–6.8) are drawn from each company's BRSR Core disclosures and Annual/Integrated Reports for FY2022–

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23 through FY2024–25 (GCPL, 2023a, 2023b, 2024a, 2024b, 2025a, 2025b; HUL, 2023a, 2023b, 2024a, 2024b, 2025a, 2025b).

6.1 ESG Progress: Recycled and Reusable Content

Table 1 presents the trend in recycled/reusable packaging content for both companies.

Table 1. Recycled/Reusable Packaging Content (%) — GCPL vs. HUL (FY2022–23 to FY2024–25)

Metric	Company	FY22–23	FY23–24	FY24–25	Target	PTR (%)
Total plastic packaging volume (MT)	GCPL	*17,995*	*17,948*	*17,991*	*18,000 by 2025*	*N/A*
Total plastic packaging volume (MT)	HUL (India)	*118,000*	*122,000*	*125,000*	*128,000 by 2025*	*N/A*
% packaging recyclable/reusable/ compostable	GCPL	*35%*	*63%*	*48%*	*50% by 2025*	*80%*
% packaging recyclable/reusable/ compostable	HUL (India)	*~2.9%*	*~4.4%*	*~6.1%*	*15% by 2025*	*26.4%*

Note: PTR = Progress-to-Target Ratio = (Current − Baseline) / (Target − Baseline) × 100. HUL India figures marked "~" are triangulated estimates; GCPL figures are from KPMG-assured BRSR Core disclosures.

Sources: Godrej Consumer Products Limited (2023, 2024, 2025); Hindustan Unilever Limited (2023, 2024, 2025).

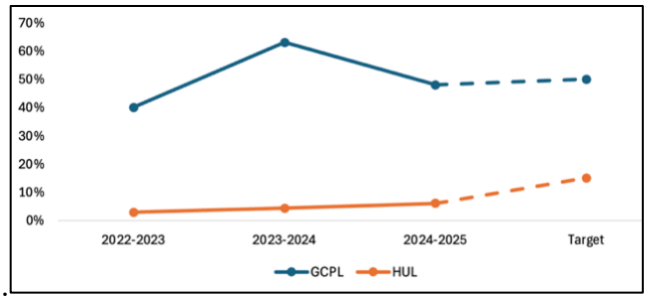
Table 1 shows that both companies maintained their volumes as defined by the boundaries established in the study time frame. HUL's volumes increased slightly (from 118,000 to 125,000), while GCPL's packaging volume declined slightly over the study period (17,995 to 17,991 MT), staying under its informal 18 000-tonne ceiling throughout. Recyclable content improved for GCPL during the study time frame (Table 1; Figure 1). Although it reached 48% recyclability by fiscal year-end 2025, which was short of the goal of 50%, it did reach 63% in FY2023–24;

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however, the amount of recyclables fell off sharply after reaching the high mark. Therefore, the company achieved almost all of the intermediate recycling goal. However, it stated that its long-term goal for recycling will be to achieve 80% of its recyclables; therefore, significant work remains to achieve that goal. Additionally, HUL's recycled input materials increased substantially from 2.9% to 6.1%; therefore, HUL closed 26.4% of the gap toward achieving a 15% recycled target. Unlike GCPL, HUL's progress showed no comparable regression, though it remains well short of its prescribed target. Therefore, the data suggest two different approaches to sustainable packaging strategy. The first is GCPL's aggressive pursuit of higher immediate targets with variable execution. The second is HUL's steady, albeit slow, approach toward meeting less ambitious near-term goals. Whether one of these strategies ultimately proves to be the most effective and what this means for their overall sustainable packaging strategy are explored further in the discussion section

Figure 1. Dual-Line Trend Chart — Recycled Content % Over Time, GCPL vs. HUL



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6.2 Collection Performance

Table 2 presents plastic collection-to-placement ratios over the study period. A ratio above 1.0 shows the company is collecting more plastic than it introduces through packaging.

Table 2. Plastic Collection vs. Placement Ratio — GCPL vs. HUL (FY2022–23 to FY2024–25)

Company	FY22–23 (Ratio)	FY23–24 (Ratio)	FY24–25 (Ratio)	3-Yr Trend	Coverage
GCPL	1.042:1	1.003:1	0.999:1	Stable	India
HUL	0.956:1	0.724:1	1.656:1	Volatile	India

Note: Ratio = tonnes plastic collected and processed : tonnes of plastic placed on the market via finished packaging.

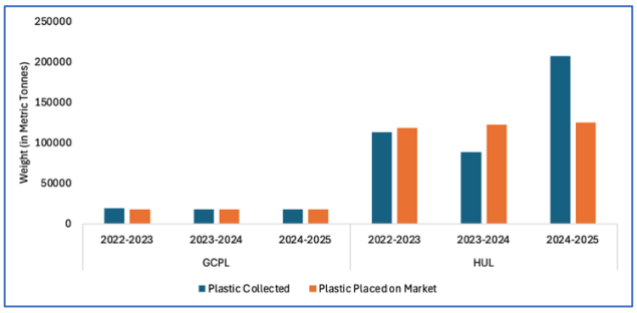
Sources: BRSR Core, Integrated Annual Reports.

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A comparison of GCPL's collection ratio to HUL's reveals a contrasting trend rather than a consistent one (Figure 2). GCPL maintained a stable, near-1:1 ratio throughout the period (1.042:1 to 0.999:1), while HUL's ratio was markedly volatile (0.724:1 to 1.656:1). This difference largely reflects different compliance mechanisms: since April 2023, HUL has met most of its EPR obligations through the purchase of credits from third-party Plastic Waste Processors, rather than direct collection. As such, while the two companies' ratios move in a broadly similar range, they reflect fundamentally different strategies. Furthermore, HUL's recycled content stood at just 6.1% in FY2024–25, against its own stated target of 15%, a target already due that year, leaving a shortfall of 8.9 percentage points. This suggests HUL does not appear to be pursuing a source-redesign strategy; rather, the company appears to rely primarily on collection-based offsets to meet its regulatory obligations. GCPL, by contrast, has continued to pursue source-level reduction, evidenced by a packaging-intensity decrease exceeding 20% since its FY2019–20 baseline, combined with a decline in absolute packaging volume over the study period. The implication is that a collection ratio alone is a weak circularity proxy when compliance is credit-financed. HUL's figure is better read as a regulatory-strategy indicator than any outcome.

Figure 2. Grouped Bar Chart — Plastic Collected vs. Placed on Market, GCPL vs. HUL, by Year



6.3 Investment and Cost Efficiency

Table 3 presents available sustainability investment data and derived cost-efficiency estimates. Where India-specific sustainability CapEx/R&D is not separately disclosed, estimates are developed on stated assumptions.

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Table 3. Sustainability Investment and Cost-Efficiency Estimate — GCPL vs. HUL

Metric	GCPL	HUL	Basis
Total sustainability CapEx / R&D (₹ Cr)	228.57	4138.99	Disclosed / Est.
Packaging-specific allocation (estimated, ₹ Cr)	57.14	1034.74	Est. (25% assumption)
Cost per % pt of recycled content progress (₹ Cr)	7.14	323.35	Derived
Cost per % pt of PTR progress (₹ Cr)	0.71	39.19	Derived
Sustainability spend as % of revenue	0.92%	2.31%	Disclosed

Note: Packaging-specific allocation is estimated at 25% of disclosed sustainability spend (one of four comparable priorities: climate, water, packaging, social), consistent with industry ESG reporting structure, since neither firm discloses this split directly. Figures are directional estimates. (Operations Manager, HUL, personal communication, Aug, 2026)

Sources: Godrej Consumer Products Limited (2024, 2025); Hindustan Unilever Limited (2024, 2025); GCPL Annual & Integrated Report, FY2023–25 (standalone CapEx); HUL Annual Report, FY2023–25 (standalone CapEx).

Table 3 compares how much each of these two companies spends to make an additional unit of progress in their sustainability performance. GCPL spent ₹228.57 cr on sustainability expenditures, which is one-eighteenth of the amount spent by HUL on sustainability expenditures (₹4138.99 cr). However, GCPL closed off 80 percent of its target gap (PTR), whereas HUL was able to close off only 26.4 percent of its target-gap. This means that while GCPL paid approximately ₹0.71 cr to close a PTR point, HUL paid approximately ₹39.19 cr per PTR point. There is almost a 55-time difference between the costs. In terms of spending money, it appears GCPL is producing a lot more environmental-social-governance (ESG) progress per rupee spent compared to HUL. It is important to exercise some level of caution when interpreting this data and not simply interpret it as a reflection of differences in managerial quality. A portion of the difference represents scale; HUL has a capital base roughly eighteen times larger than GCPL. Therefore, even if HUL had produced proportionate amounts of ESG progress, it would have appeared significantly more expensive per PTR point due to size. Furthermore, there may be structural barriers to achieving significant design improvements in HUL's multi-layer, flexible, and sachet-form packaging structure, which is likely to produce diminishing returns. The most

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reasonable interpretation of this data is that GCPL demonstrates better capital efficiency relative to its own sustainability metrics meaningfully; however, this must be adjusted for scale and portfolio considerations.

6.4 Financial Performance Benchmarking

A relevant question is whether sustainability strategy translates into superior financial performance. Table 4 presents headline financial metrics for both companies over the study period, sourced from audited standalone financial statements.

Table 4. Financial Performance Benchmarking — GCPL vs. HUL (FY2022–23 to FY2024–25)

Metric	Company	FY22–23	FY23–24	FY24–25	3-Yr CAGR / Trend
Revenue (₹ Cr)	GCPL	7667	8411	8779	*4.62% CAGR*
Revenue (₹ Cr)	HUL	59 784	61 442	60 853	*0.30% CAGR*
Operating Profit Margin (%)	GCPL	25.83	29.84	24.89	▼
Operating Profit Margin (%)	HUL	24.03	24.93	26.44	▲
Net Profit Margin (%)	GCPL	19.74	16.41	13.49	▼
Net Profit Margin (%)	HUL	16.84	16.73	17.84	▲
Return on Assets (%)	GCPL	14.13	1.62	7.28	▼
Return on Assets (%)	HUL	14.07	13.58	13.71	▼
Sustainability CapEx as % Revenue	GCPL	0.44	0.38	1.85	▲
Sustainability CapEx as % Revenue	HUL	1.58	3.35	1.97	▲

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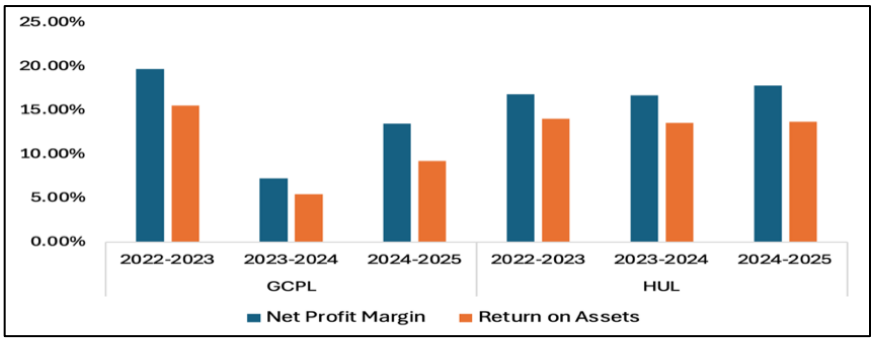
Sources: Godrej Consumer Products Limited (2023, 2024, 2025) [Standalone financial statements]; Hindustan Unilever Limited (2023, 2024, 2025) [Standalone financial statements].

These figures are presented as contextual benchmarking; the case study design does not permit causal attribution of financial performance differences to sustainability strategy specifically, but the pattern is instructive.

The paths that both HUL and GCPL have taken are quite different and complicate the simplistic notion that "leadership on sustainability will pay for itself." For example, while GCPL has reported cleaner Environmental Social, and Governance (ESG) data, it has seen its net profit margin decline from 19.74% to 13.49%, and its Return On Assets (ROA) had a 9-fold decrease from 14.13% to 1.62% over these two years, before partially rebounding back to 7.28 percent, still far behind where it was in FY2022–23. In comparison, HUL's operating margin increased steadily from 24.03% to 26.44%, and net profit margins increased from 16.84% to 17.84% despite an increase of approximately 6% in its plastic footprint during the same time frame (Table 4; Figure 3).

Asymmetries like these can be illustrative. While GCPL's decreasing profits coincided with increasing sustainability CapEx as a percentage of sales (0.44% to 1.85%; Table 4) indicating that GCPL's Source Redesign Approach is expensive to implement in terms of lost profitability. Similarly, the almost nine-fold decrease in ROA in FY2023–24 cannot be solely attributed to changes in operational performance and likely includes the impact of balance sheet expansion due to acquisition activity in FY2023–24. On the other hand, HUL's steady profits were coupled with low and variable Sustainability CapEx (1.58% to 1.97%), spiking to 3.35% in FY2023–24, indicate that HUL's Collection and Offset Model may be less costly to maintain in the short term, although HUL's Packaging Volume Trend indicates that it continues to move away from achieving its own stated goals related to reducing the amount of plastic used. In total, based upon the evidence presented above, GCPL's strategy appears to be more durable and resistant to regulatory change since its packaging volumes continue to decline; however, GCPL's strategy also came at the expense of profitability. Conversely, HUL's strategy appears more profitable; however, is clearly at odds with reducing plastic use at the source.

Figure 3. Grouped Bar Chart of Net Profit Margin and ROA Comparison, GCPL vs. HUL, FY2022–23 to FY2024–25



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6.5 Regulatory Cost-of-Non-Compliance Estimate

A financially material dimension of packaging strategy is the cost of failing to meet EPR and recycled content targets. Table 5 presents a directional estimate of the potential penalty exposure for both companies under the current trajectory, based on disclosed packaging volumes, target shortfalls, and published CPCB penalty schedules.

Table 5. Regulatory Cost-of-Non-Compliance Estimate — GCPL vs. HUL (Base Case, FY2025–26)

Input / Estimate	GCPL	HUL	Notes
Total plastic packaging volume (tonnes, est.)	17 991	128 000	From BRSR Core / estimated
Recycled content target (%)	50%	15%	Stated target
Current recycled content (%)	48%	~9.4%	Latest BRSR / estimated
Target shortfall (% pts)	2%	~5.6%	Derived
Shortfall in absolute volume (tonnes)	359.82	7168	Derived
Est. CPCB penalty rate (₹/tonne)	5000	5000	PWM Rules 2022 / Derived
Estimated penalty exposure (₹ Cr)	0.18	3.58	Directional estimate
Penalty as % of FY25–26 EBITDA	0.008%	0.022%	Derived — materiality check

Note: This is a directional regulatory cost estimate for illustrative analysis. Actual penalty determination involves CPCB discretion, EPR credit purchases, and potential grace periods. The intent is to quantify the financial materiality of the compliance gap, not to predict actual penalties. All volume figures marked "est." are triangulated estimates.

Sources: Plastic Waste Management Rules 2022, CPCB EPR guidelines, BRSR Core disclosures.

Although the estimated regulatory cost-of-non-compliance for each company is small in total (GCPL ~₹0.18Cr; HUL ~₹3.58Cr), and represents less than one tenth of one percent of their respective FY2025–26 EBITDA (GCPL: 0.008%, HUL: 0.022%), there is little to no financial

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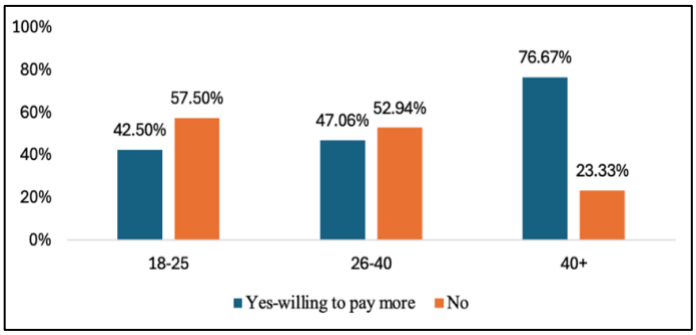
justification for either company to accelerate their packaging investments as a result of avoiding future regulatory penalties.

However, when looking at the data relative to EBITDA, it appears that HUL has significantly more regulatory exposure (approximately 2.7x) than does GCPL because HUL has a much larger deficit from meeting its recycling targets (HUL 5.6%, GCPL 2%) with respect to what was outlined by the Indian government in setting out an objective of 100% recyclable/ compostable packaging by 2030 and 50% average recycled content by the same year. This increased regulatory trajectory risk may be why, while the current rate for CPCB penalties remains insignificant for both companies today, if the rate were to increase or if enforcement tightened, HUL would bear slightly higher risks. In this context, the strategic advantage of GCPL's redesign-at-source approach will be less about avoiding penalties today and more about the structural benefits of having reduced the amount of packaging being produced.

6.6 Consumer Perception (Primary Survey)

A consumer survey (n=134; Appendix 1) assessed awareness and attitudes toward sustainable packaging among Indian consumers, spanning three age brackets: 18–25 (n=40), 26–40 (n=34), and 40+ (n=60). Overall, 59% of respondents indicated willingness to pay a premium for sustainable packaging (Figure 4), and 54.5% were aware of India's BRSR/EPR disclosure requirements.

Figure 4. Grouped Bar Chart — Willingness to Pay Premium by Age

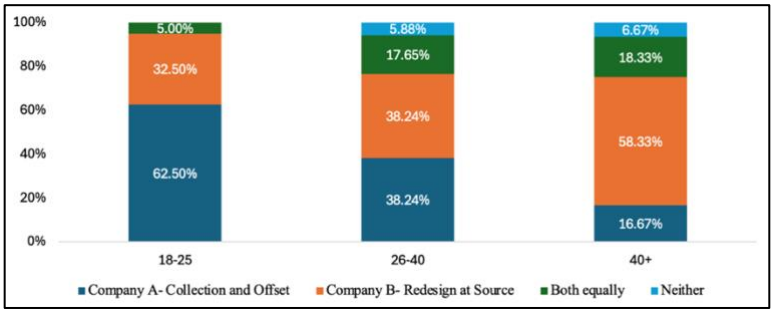


A sharp increase in willingness to pay as age increased was evident (see Figure 4): 42.5% (18-25 years old) and 47.1% (26-40 years old) compared to 76.7% (40+ years old). This is an interesting reversal of past findings from other national surveys, which have generally found younger generations more likely to be willing to pay additional costs for "sustainable" products. Among participants who indicated willingness to pay (n=93), responses skewed toward modest premiums: 43.0% indicated they would pay up to 5% more, 33.3% indicated up to 10% more, only 5.4% indicated 15% or more, and the remaining 18.3% were not sure.

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Figure 5. Bar Chart — Consumer Preference: Collection vs. Redesign Strategy



Younger consumers are most likely to drive FMCG demand by the end of the next decade. These respondents expressed that collection-and-offset is more credible (Figure 5), even though this study's quantitative findings (Sections 6.1–6.5) suggest that companies relying on collection-based compliance mechanisms often fail to achieve meaningful reductions in virgin plastic use. Combined with lower willingness-to-pay in the same age group, this suggests younger consumers may respond more to visible, volume-based sustainability claims than to claims about composition and design, which is an issue worth examining directly in future research.

6.7 Disclosure Quality

A consistent difference in how much detail is included in disclosures occurs regardless of whether it relates to packaging performance. GCPL provides India-stand-alone, metric-full, and assured (by KPMG) BRSR Core disclosures for the company. In contrast, HUL's disclosures were "triangulated," i.e., footprint data was from both an Indian perspective and as part of a Group report; HUL cited limited traceability when reporting 2022 figures as the basis for recyclable materials; and HUL did not provide a ratio of recycled-to-discarded plastic due to those limitations. Also, HUL has delayed its goal of achieving recyclable packaging by another 5 to 10 years without providing a revised or new baseline. It appears that there exists a structural reporting maturity gap: GCPL's level of transparency allows greater visibility into what has been omitted/underreported as well as creates greater accountability. Conversely, HUL's lower level of reporting may result in less accurate representation of the same.

6.8 Comparative Scorecard Summary

Table 6 synthesizes findings across all seven dimensions into a single comparative scorecard. A rating of H (High), M (Medium), or L (Low) reflects relative performance between the two firms, as derived from the quantitative analysis in Sections 6.1–6.7.

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Table 6. Comparative Benchmarking Scorecard — GCPL vs. HUL

Dimension	Metric / Basis	GCPL	HUL	Edge
ESG Progress (Recycled Content)	PTR on recycled content target	*H*	*L*	*GCPL*
Collection Performance	Plastic collected : placed ratio	*H*	*L*	*GCPL*
Cost Efficiency	Cost per % pt of PTR progress	*H*	*L*	*GCPL*
Financial Performance	Net margin + ROA trajectory	*L*	*H*	*HUL*
Regulatory Risk	Est. penalty exposure / EBITDA	*H*	*M*	*GCPL*
Consumer Perception	Brand sustainability recognition (%)	*L*	*H*	*HUL*
Disclosure Quality	Granularity + assurance level	*H*	*L*	*GCPL*
OVERALL	—	*[5/7 dimensions]*	*[2/7 dimensions]*	*GCPL*

Note: H = relatively stronger performance on this dimension; M = comparable; L = relatively weaker. Ratings are derived from the quantitative analysis presented in Sections 6.1–6.7 and are relative (between the two firms), not absolute benchmarks against industry standards.

The results suggest that, on five of the seven criteria, GCPL leads HUL (Table 6). In terms of the most important criteria for measuring the success of sustainable strategies, financial performance (will the strategy endure) and customer perception (will the strategy be successful in the marketplace), HUL outperforms GCPL. Thus far, GCPL's technical and disclosure advantages have not yet translated into stronger near-term financial or commercial outcomes.

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Figure 6. Radar/Spider Chart — Comparative Scorecard, GCPL vs. HUL across 7 Dimensions

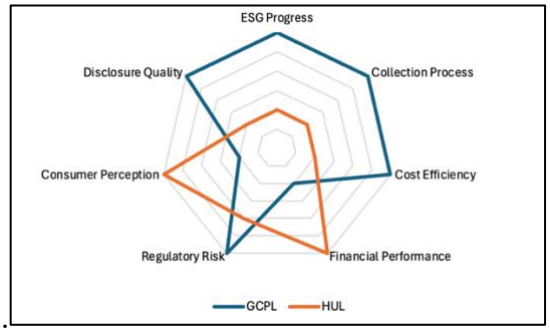


Figure 6 shows it clearly: In all of the upper and right dimensions, GCPL has greater dominance than HUL. And, in the lower and left dimensions, HUL is extending farther. They are not just better or worse in total – they each represent an optimal solution to serve their respective customers. GCPL is optimized to meet the expectations of regulators as well as provide evidence for thorough ESG analysis, while HUL represents the near-term financial performance of the company as well as its brand image. This is a tension that is addressed in the Recommendations section of the paper.

7. Discussion

7.1 Collection-and-Offset vs. Redesign-at-Source: What the Data Shows

HUL's collection-and-offset model generates fast, observable compliance: HUL achieved a collection/placement ratio of 1.656:1 in FY2024–25 (Table 2), largely due to the acquisition of Extended Producer Responsibility credits from third-party processors post-April 23 regulatory changes, and not through actual collection (Operations Manager, HUL, personal communication, Aug, 2026). The collection method creates short-term regulatory optics, but does not alter product formulation. Therefore, HUL has only been able to achieve a recycling rate of 9.4% in FY2025–26, compared to a goal of 15% that was due before (Table 1, Table 5).

GCPL's method is structurally different. GCPL's recyclability improved from 40% to 48% towards their near-term objective of 50% (an 80% PTR) while also reducing packaging intensity by approximately 20% since the FY2019–20 base year, along with an overall decrease in total packaging quantity (Table 1). A structural difference exists here – GCPL made a source-level change by reducing the amount of plastics entering the system before recycling. As recycled content regulations continue to get tighter over time, this type of change will be much more sustainable because it does not rely upon continued availability of third-party processing capacity or credit markets.

However, this long-term durability comes with a significant, visible near-term financial price. GCPL's net profit margin declined from 19.74% to 13.49% while increasing its sustainability

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capital expenditure intensity; HUL maintained relatively stable margins at a significantly lower capital intensity (Table 4). Although GCPL has demonstrated significantly higher capital efficiency in its own progress (approximately ₹0.71 crores/PTR vs. HUL's ₹39.19 crores/PTR, Table 3), some of this differential may relate to differences in size as opposed to the quality of implementation.

On the metric that is most important today (current profitability), HUL wins. On the metrics that are most important strategically (longer-term ability to respond to increased regulatory requirements and reduce products' packaging levels), GCPL has a stronger position, supported by its comparatively lower regulatory burden (0.008% of EBITDA vs. 0.022%, Table 5). In other words, HUL is trading present-day financial stability for potential future regulatory risks while GCPL is trading present-day costs for longer-term strategic protection, a comparison examined in the Recommendations section below.

7.2 Financial Implications: Does Sustainability Leadership Pay?

The financial data provided in Table 4 provide a more complex picture than simply validating one or the other sustainability strategy. GCPL, which has performed better on ESG progress, disclosure quality, and cost efficiency (Sections 6.1 through 6.7), demonstrated a declining net profit margin (from 19.74% to 13.49%) along with a volatile return on assets (from 14.13% down to 1.62% in FY2023–24, before partially recovering to 7.28%), along with an increase in sustainability capital expenditure as a percentage of revenue (up from 0.44% to 1.85%). Conversely, HUL scored lower on most ESG metrics reviewed in this research, while maintaining relatively stable operating and net profit margins (24.03% to 26.44% and 16.84% to 17.84%, respectively) and a steady, albeit slightly falling, return on assets (Table 4).

The trend for these companies was consistent with an expected front-loaded versus deferred cost structure (Fankhauser et al., 2022). While it appears that GCPL's source redesign has had a clear short-term financial impact that may help explain the fall in its margin and ROA over time, it is possible that the FY2023–24 ROA decline was also impacted by balance sheet expansion due to acquisitions made during the period (GCPL, 2024b). Caution should therefore be taken when attempting to infer cause and effect from the available data regarding the relationship between ESG spending and financial performance. In contrast, HUL's relatively stable margins appear to reflect its collection-and-offset approach, which defers product-level investment. However, per Table 5, HUL is accumulating comparatively greater regulatory liability: HUL's estimated penalty exposure is approximately 2.7 times larger, as a percentage of EBITDA, than GCPL's (FY2025–26).

Overall, the results indicate a trade-off in the timing of costs, rather than clear evidence of which approach produces greater financial returns. GCPL's costs are immediate and visible, while HUL's are contingent on future regulatory tightening.

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7.3 Scenario Analysis: 2030 Projections

Table 7 projects 2030 outcomes for both companies under three scenarios, based on the current trajectory (base), an accelerated investment assumption, and a stalled trajectory assumption (assumptions are detailed in Appendix 2). This sensitivity analysis provides the forward-looking "so what" that distinguishes a business case from a retrospective audit.

Table 7. Scenario Analysis — Projected Recycled Content (%) and Compliance Cost Exposure by 2030

Scenario	Assumption	GCPL 2030 (est.)	GCPL Penalty Exposure (est.)	HUL 2030 (est.)	HUL Penalty Exposure (est.)
Stalled	No incremental investment beyond FY24–25	*48%*	₹0.18 Cr	*6.1%*	₹5.70 Cr
Base Case	Current trajectory maintained	*68%*	₹0.00 Cr	*14.1%*	₹0.58 Cr
Accelerated	Investment doubled from FY25-26	*88%*	₹0.00 Cr	*22.1%*	₹0.00 Cr

Note: Linear extrapolations of FY2022–23 to FY2024–25 trends. Base-case growth: GCPL ~4.0 pts/year (recyclability); HUL ~1.6 pts/year (recycled content). Accelerated doubles the base-case rate; Stalled holds FY2024–25 values flat. Penalty exposure follows Table 5's methodology (₹5000/tonne, constant volume/EBITDA). Directional estimates, not forecasts.

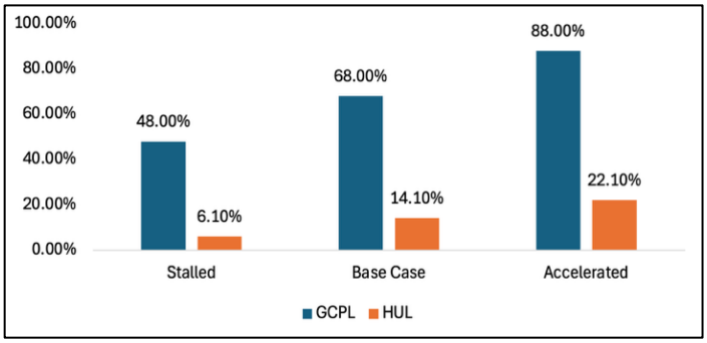
GCPL has a sufficient margin to meet its 2030 recyclability target of 50%, with a projected base-case outcome of 68% (Table 7). Since GCPL's base-case trajectory already exceeds its target, the company will incur no penalty costs so long as it maintains its current pace. HUL, by contrast, has a projected shortfall of approximately 0.9 percentage points against its recycling target under the base case, resulting in a residual penalty cost of ₹0.58 Cr (Table 7). This is relatively small. However, the fact that it remains after continued improvement suggests that the pace of improvement was not fast enough and may be at risk of stalling out. The stalled-out scenario provides a much better comparison with respect to the potential future costs associated with failure to comply with HUL's recycling targets. When compared to the base-case assumptions made earlier (i.e., continuing to improve at the same rate observed through FY2024–25), HUL's exposure to these future costs increases by approximately 883 percent (from ₹0.58 Cr to ₹5.70 Cr)

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(Table 7; Figure 7; Appendix 2). Furthermore, since approximately 90% of this increase can be eliminated through sustained base-case improvements (i.e., sustaining the rate of improvement observed in FY2024–25 as opposed to accelerating the rate of improvement), closing this gap is not dependent upon HUL pursuing the accelerated scenario. Rather, it appears that the primary limitation to closing this gap is the ability and willingness of management to continue executing at a consistent and rapid pace.

Figure 7. Scenario Bar Chart — Projected 2030 Recycled Content % Under Three Scenarios, GCPL vs. HUL



7.4 Strategic Implications for FMCG Firms

In addition to the direct comparisons made regarding GCPL and HUL, the results of this research provide a generalized decision-making approach for FMCG companies to develop packaging sustainability strategies based on four dimensions. Firstly, the degree of flexibility in format. Companies having a large proportion of their product lines packaged using flexible formats (as was the case of HUL), have larger technical and time barriers to overcome when redesigning their products; therefore, developing collection systems can act as a short-term solution to meet compliance requirements. Secondly, the distance of the company to a regulatory deadline. The analyses developed in Section 7.3 illustrate how deferring investments to comply with regulations leads to an increase in costs to address any future gaps. Therefore, companies farther away from reaching their targets will benefit more from investing early and continuously, whereas companies closer to meeting their obligations (such as GCPL) can achieve the remaining gap solely due to continuous improvements. Thirdly, the comparative cost of redesign versus fines. Since neither firm has faced significant financial consequences related to regulatory fines (under current CPCB standards), the justification of redesign must be based upon the potential benefits to the branding and compliance trajectory. Lastly, brand position. Premium positioned brands have customers who pay attention to where their products come from and what materials (Bain & Company, 2023) were used during production. These brands will generate additional value with regard to the distinction created via redesign. Conversely, mass market brands compete mainly on price and availability. Thus, they will most likely gain immediate value from collecting and providing evidence that large volumes of collected materials are being utilized.

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Together, the above factors suggest that collection-only approaches should be viewed as transitionary measures for companies that have high redesign costs and/or are far from regulatory compliance milestones. Source redesign represents a more sustainable long term strategy as recycling content thresholds continue to be raised throughout the industry (European Commission, 2025). This model provides a decision-relevant perspective for FMCG packaging strategy which applies beyond just the two companies studied in this paper.

8. Conclusion and Recommendation

8.1 Summary of Findings

GCPL and HUL have each developed sustainable business practices in different ways based on their unique characteristics and challenges; as such, they have very different financial and regulatory implications for both companies. GCPL has made substantial headway with regard to environmental, social governance (ESG), waste management (collection stability), cost containment (cost efficiency), and transparency (disclosure quality). In terms of recyclable material, GCPL has already reached 80% of its near-term goal compared to 26.4% of recycled content from HUL, at a significantly lower capital outlay. However, this achievement is associated with a clearly identifiable cost to GCPL's short-term profitability, since the company's net margin and return on assets (ROA) have decreased while HUL continues to maintain steady margins with less rapid implementation of its ESG initiatives. As well as facing more significant cumulative regulatory risk, with an estimated total penalty potential in 2030 of approximately 30X that of GCPL if the two firms are unable to make additional progress. To add complexity to the situation, consumer opinion research (n = 134) indicates HUL maintains a stronger brand position on sustainability overall, though this advantage reverses among older respondents, who favor GCPL's redesign approach by a wide margin. Furthermore, younger respondents support HUL's approach through collection expansion rather than redesign by GCPL. Overall, each of these companies' sustainability strategies fail to win conclusively across the three key elements determining long-term viability as sustainable businesses: technical viability, financial viability, and perceptual viability.

8.2 Recommendation Framework

The author recommends a dual approach based upon the packaging composition of the firm and its regulatory environment, as opposed to a one-size-fits-all solution for all companies. Companies most exposed to sachets and facing near-term regulatory deadlines (HUL's position in this study) should treat collection-and-recycling as a necessary but insufficient initial measure. While collecting waste from these flexible formats allows the company to maintain near-term compliance by building out recycling infrastructure, it does not correct the underlying shortfall in recycled material used at the product level. Such companies should therefore begin phasing in investment in reformulation, prioritized by SKU volume, to accelerate progress on recycled content before regulatory requirements become harder to meet. The scenario analysis in Section 7.3 shows that

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even a sustained, non-accelerated pace of improvement can reduce projected 2030 regulatory exposure by nearly 90% — meaning firms do not need to pursue an aggressive investment pace to capture most of this benefit.

Companies with less sachet exposure and a longer runway to regulatory compliance, such as GCPL, should focus on reformulation directly, since this study finds it to be both more capital-efficient (Section 6.3) and better positioned against future regulatory tightening (Section 7.1). However, such firms must monitor the pace at which reformulation costs accumulate, since GCPL's margin has declined over the course of this study. Without corresponding cost discipline, continued investment in reformulation risks undermining the very profitability needed to sustain it long-term.

8.3 Limitations

Several limitations should be noted. First, HUL's India-specific packaging volume disclosures are less granular than GCPL's, requiring estimation in several analyses; results involving HUL estimates should be interpreted as directional. Second, the financial performance benchmarking (Table 4) cannot control for confounding factors such as product mix changes, geographic expansion, and raw material price movements; no causal attribution of financial outcomes to sustainability strategy is intended. Third, the consumer survey, while designed to be representative, was administered online and may over-represent urban, higher-income respondents. Fourth, the study is bounded to a single country and sector; generalizability should be tested in future research.

8.4 Directions for Future Research

Future research could be conducted to determine if the GCPL-HUL performance gap diminishes over time as EPR fines become stricter, and recycled content requirements rise. Additionally, a cross-firm study that includes mid-sized FMCG companies can be used to test the generalizability of this study's findings from the two market-leading firms investigated within this study. The post-2025 period, specifically after HUL's original 15% recycled content deadline has fully elapsed, will provide an opportunity to measure whether the collection-focused approach eventually delivers the anticipated changes in product-level performance. In addition, by integrating stock market event study methods, which investigate abnormal stock returns associated with sustainability milestones, future researchers may be able to evaluate how the financial markets value a company's commitment to sustainable packaging practices.

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Declarations

Generative AI use disclosure

Generative AI tools, including Claude (Anthropic), were used to assist with drafting and editing manuscript text, formatting tables and references, and generating figures from author-collected data. The author collected all primary data (the consumer survey and the interview) and is responsible for the content, analysis and conclusions of this paper.

Ethical statement

The consumer survey was voluntary and anonymous, and respondents were told that their responses would be used only for academic analysis. The interview participant agreed to take part and to be cited anonymously by role.

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This research received no external funding.

Competing interests

The author declares no competing interests.

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Glossary

BRSR: Business Responsibility and Sustainability Report. The standard annual ESG disclosure format prescribed by SEBI, mandatory for the top 1000 listed companies by market capitalisation from FY2022–23.

BRSR Core: A subset of key BRSR indicators that listed companies must have independently assured. It applied first to the top 150 listed companies in FY2023–24 and is being extended in phases.

CAGR: Compound annual growth rate. The constant yearly rate at which a value would need to grow to move from its starting level to its ending level over a given number of years.

CapEx: Capital expenditure. Spending on long-lived assets such as equipment, plants and packaging lines.

Collection-and-offset: A compliance strategy in which a company collects and processes plastic waste, directly or by purchasing EPR credits, in volumes comparable to the plastic it places on the market, without necessarily changing its own packaging.

CPCB: Central Pollution Control Board. India's statutory pollution control body, which oversees EPR compliance and environmental compensation for plastic packaging.

Crore (Cr): An Indian unit equal to 10 million. ₹1 crore equals ₹10 000 000.

EBITDA: Earnings before interest, taxes, depreciation and amortisation.

EPR: Extended Producer Responsibility. The obligation under the PWM Rules for producers, importers and brand owners to ensure that the plastic packaging they place on the market is collected and recycled or reused.

EPR credit: A tradable certificate generated by a registered plastic waste processor, which obligated companies purchase to meet their EPR targets.

ESG: Environmental, social and governance.

FMCG: Fast-moving consumer goods. High-volume, low-cost products such as soaps, foods and personal care items.

FY: Fiscal year. An Indian company's fiscal year runs from 1 April to 31 March, so FY2024–25 covers April 2024 to March 2025.

GCPL: Godrej Consumer Products Limited.

HUL: Hindustan Unilever Limited.

KPI: Key performance indicator.

MoEFCC: Ministry of Environment, Forest and Climate Change, Government of India.

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MT: Metric tonne, equal to 1000 kg.

NSE/BSE: National Stock Exchange of India and BSE Limited, the two principal stock exchanges in India.

Packaging intensity: The amount of packaging material used per unit of product sold.

PTR: Progress-to-Target Ratio. Calculated as (current value − baseline) ÷ (target − baseline) × 100. It shows the share of the gap between a company's baseline and its target that has been closed.

PWM Rules: Plastic Waste Management Rules, 2016, as amended, which set EPR obligations for plastic packaging in India.

R&D: Research and development.

Recyclable content: The share of packaging designed so that it can be recycled, reused or composted. This is GCPL's headline packaging metric.

Recycled content: The share of packaging made from post-consumer or recovered material. This is HUL's headline packaging metric.

Redesign-at-source: A strategy of reducing plastic use and improving recyclability or recycled content in the packaging itself, before it enters the market.

ROA: Return on assets. Net profit divided by total assets, expressed as a percentage.

Sachet: A small single-serve pack, typically made of multi-layer flexible plastic, that is difficult to collect and recycle.

SEBI: Securities and Exchange Board of India, the capital markets regulator.

SKU: Stock-keeping unit. A distinct product variant or pack size.

Standalone financial statements: Financial statements of the parent company alone, excluding its subsidiaries (as opposed to consolidated statements).

Virgin plastic: Newly produced plastic made from fossil-fuel feedstock rather than from recycled material.

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Appendix 1: Consumer Survey Instrument

Consumer Perceptions of Sustainable Packaging in Indian FMCG

This short survey (2–3 minutes) is part of an academic research project studying consumer attitudes toward sustainable packaging in the Indian FMCG sector. Responses are anonymous and used solely for academic analysis.

Section 1: About You

Age group (required)

- 18–25 / 26–40 / 40+

Section 2: Sustainability Attitudes

How important is a product's environmental impact when you decide what to buy?

- (1 = Not important at all → 5 = Very important, required)

Are you aware that Indian FMCG companies are required to disclose plastic packaging and recycling data (under BRSR/EPR regulations)? (required)

- Yes / No / Not sure

Section 3: Willingness to Pay

Would you pay more for a product with more sustainable/eco-friendly packaging? (required)

- Yes / No

If yes — how much more would you be willing to pay? (shown only if Q4 = Yes)

- Around 5% more / Around 10% more / 15% or more / Not sure

Section 4: Comparing Sustainability Approaches

Read the two approaches below, used by different companies:

Company A: Collects and processes more plastic waste than it puts into its own packaging, but most of its own packaging is still made from new (virgin) plastic.

Company B: Uses less plastic overall and is increasing the share of recycled material in its own packaging, but collects less plastic waste from the market overall.

Which approach do you consider more genuinely sustainable? (required)

- Company A / Company B / Both equally / Neither

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Section 5: Brand Awareness (Optional)

Are you aware of any specific Indian FMCG brand's sustainability packaging efforts? If yes, please name it. (optional, open text)

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Appendix 2: Scenario Analysis Assumptions

Table 7's projections rest on the following explicit assumptions. Base-case annual growth rates are derived from each company's observed FY2022–23 to FY2024–25 trend: GCPL's recyclability improved at approximately 4.0 percentage points per year (40% to 48%), and HUL's recycled content improved at approximately 1.6 percentage points per year (2.9% to 6.1%). The Accelerated scenario assumes each company doubles its base-case annual rate of improvement, reflecting a hypothetical doubling of investment from FY2025–26 onward. The Stalled scenario holds each company's FY2024–25 value constant through 2030, representing no further incremental progress.

Penalty exposure under each scenario applies the same methodology used in Table 5: a CPCB base environmental compensation rate of ₹5000 per tonne of shortfall against each company's stated recycled-content or recyclability target, calculated as (target percentage − projected percentage) × total packaging volume. Total packaging volume and EBITDA are held constant at FY2024–25 levels across all three scenarios and through 2030, since neither company discloses forward volume or earnings guidance; this is a simplifying assumption that does not account for potential volume growth, EBITDA growth, regulatory rate changes, or shifts in CPCB enforcement practice. These projections are intended as directional planning estimates to illustrate the relative cost implications of each strategic pace, not as financial forecasts.

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