

Comparison between Nestle and Unilever

Posted on October 8, 2019

Let's make a little comparison about the main business, concepts, and focused points.

	Nestle	Unilever
Main Business	Foods	Foods & Daily Chemicals
Concept	Creating Shared Value	Competing through Sustainability
Focus On	Nutrition, Water, Rural Development	Eliminating Deforestation, (Nestlé, 2025) Sustainable Agriculture and Small Farmers Water, Sanitation, Hygiene

Now let's see what these two companies will have done to achieve their goal of sustainability:

	Nestle	Unilever
Things had done	Create SAIN(Sustainable Agricultural Initiative at Nestle) Create an SAI platform for other companies	Create USLP(Unilever Sustainable Life Plan)
	Calls for Sustainability in the Global Food System	Challenging the culture, Changing the team
	Leading the Agricultural raw materials sourcing	Nominate CSO, VP of social impact
	Supplier code of conduct	
	Responsible sourcing/Traceability	

All these companies are great because they realize that if you want to run the company longer, you have to take more and more responsibilities for economics, the environment, and society. But I think

there are some differences between Unilever and Nestle.

Here are the statements that explain why I think [Nestle is the best out of these two great companies](#).

In my opinion, I'd like to say that Unilever is more focused within the company, such as changing the team and nominating a Chief Sustainability Officer. Yet Unilever's business is very wide, including food and daily chemicals, so the sustainable goal for them is also very ambitious, which means that it's great but hard to achieve.

We can see Unilever is still more concentrated on economics, i.e., the profits of the company. Because we see the word Competing in Unilever's concept, and more focus on inner factors. But Nestle's concept is Shared, which means Nestle wants to make all these things happen by sharing the value of sustainable developments. Nestle created the SAI platform for all the food companies that are in demand of agricultural raw materials and made investments in rural places to make people's lives better. Thus, I'd like to say that Nestle is more concentrated on environmental and social responsibilities to make not only the company but also the world better.

According to the Triple Bottom Line's standard, we can see Unilever's ambitious plan about sustainable development and taking responsibility due to its wide business, and Nestle is more likely to concentrate on smaller things and try their best to make it happen.

As we all know. Nestle is the largest food company in the world. It has about 500 factories in 83 countries. And there are about 400,000 employees working in Nestle. But when a company gets bigger and becomes worldwide. We cannot ignore the impact on the world economy, environment, and society. In Nestle's story. We see more substantial initiatives and movements to make the world better, especially to solve the biggest problem: food.

Face The Environmental Problems

However, in this modern world, basic industries such as energy, metallurgy, and chemical engineering are still playing an indispensable role in economic development. But industry is the main source of pollution now.

Balancing between the cost of processing pollutants and destroying the environment is a growing problem for today's companies.

After The Industrial Revolution. Our planet is facing more and more destructive factors such as climate change, air and water pollution, and so on. All these factors can cause droughts, floods, and soil degradation. They directly impact the agriculture industry. In India, there are about 59,000 farmers committed suicide due to bad harvests in the last three decades (<Washington Post> 8/1/2017), and according to the Indian National Bureau of Crime Records, in 2015, the number of farmer suicides is about 12,000.

Agriculture is a very important industry because, without it, we have nothing to eat. Australia has 408,000,000 sq.km. Agricultural land, 487,600 sq. km. Cultivated land and about 300,000 farmers. Many countries rely on their agricultural activities. But in recent years, many rural places are still using traditional cultivation methods and a lack of agricultural knowledge, these factors bring about low output and land degradation.

Take Responsibilities in Society and Environment

As a food company, what their customers eat is always a hot issue. Nestle, not only from the company's point of view to make money, but also as a problem solver to take their social responsibilities by making nutrition solutions for both people who suffer from malnutrition or obesity. The concept of providing "nutritional solutions" to the whole lifecycle of customers is very forward-looking but applicable.

Nestle is focusing on rural development to solve problems. On the one hand, investments in this area can make their own supply chain for Nestle products, and all raw materials can be monitored by Nestle quality standards; on the other hand, under professional guidance, people in rural places can make more money by growing agricultural products effectively and make their lives. (Unilever PLC, 2025)

In Nestle's Sustainable Agriculture Initiative, the Farmer Connect program plays an important role in the initiative; it unites the raw material producers all around the world, most of them farmers. On the one hand, providing a lot of job opportunities as a supplier of Nestle; on the other hand, it makes most of the raw materials can be traced; thus, Nestle can produce better products and be more competitive in the market.

In some social and environmental issues like child labor, deforestation, etc. Nestle also makes commitments about zero tolerance for child labor, never using raw materials like cocoa or coffee that are produced by children. On the issue of deforestation, just like Unilever, Nestle also raises the concept of sustainable palm oil to protect the forest.

As a great company that has to take responsibility, Nestle and Unilever have to measure the impact of every operation or decision they have made on the environment and society.

Sharing Value with its Competitors

Market competition is very cruel and intense. From a traditional perspective, companies will only get competitive power by doing something unique and hard to copy. But by the economic globalization and development of the internet. This point of view may need a little adjustment.

The conduction code is very complicated in the area of logistics, and logistics is a necessary chain in

the supply chain, like when the raw material needs to be transported to the factory, and the products need to be transported to the sales market. With different conduction code rules, there will be a lot of trouble transporting goods, which means higher logistics costs in money and time.

Nestle augmented its Supplier Code of Conduct program step by step; the first step was sharing a common audit protocol with its competitors, such as Kraft and Unilever. We can see that the responsible sourcing program is to connect suppliers all around the world and make material trading easier and more convenient.

Nestle is trying to break the traditional competitive mode; it wants to make a win-win situation by embedding their concept: "Creating Shared Value." Not only to make the enterprise flourish but also to push worldwide trading and economics to a better place.

Make This World Better

This is the lifecycle of a general product:

From raw materials to a finished product, there are four steps:

1. Suppliers provide raw materials and energy to the company.
2. In the factory, workers make products by pre-processing the materials, manufacturing the product, and packing the product for sale. In the meantime, it will generate some byproducts and wastes.
3. The finished product will sell on the market.
4. The customers consume the product and make waste, such as packing materials.

Except for the last step, Logistics service and quality control are always needed in the first 3 steps. Here is the importance of the agreement for the supplier code of conduct between the competitors and the traceability of the raw materials. Nestle made it all efficient.

Then let's see a recent news release by Nestle:

Nestlé's 2025 packaging ambition

In 2018, Nestlé announced an ambition to make 100% of its packaging recyclable or reusable by 2025. That deadline has passed, so the statement should be read as a historical commitment rather than a current target. Nestlé's current climate roadmap aims to reduce greenhouse-gas emissions by 50% by 2030 from a 2018 baseline and reach net zero by 2050.

Nestlé CEO Mark Schneider said, "[Plastic waste](#) is one of the biggest sustainability issues the world is facing today. Tackling it requires a collective approach. We are committed to finding improved solutions to reduce, reuse, and recycle. Our ambition is to achieve 100% recyclable or reusable

packaging by 2025.”

The company focuses on three core areas: eliminating non-recyclable plastics, encouraging the use of plastics that allow better recycling rates, and eliminating or changing complex combinations of packaging materials.

At the end of this paragraph, here are some announcements:

Recognizing the need for developing a circular economy, Nestlé is committed to: (The Guardian, 2024)

Playing an active role in the development of well-functioning collection, sorting, and recycling schemes across the countries where we operate;

Working with value chain partners and industry associations to explore different packaging solutions to reduce plastic usage, facilitate recycling, and develop new approaches to eliminate plastic waste;

Labeling our plastic product packaging with recycling information to help consumers dispose of it in the right way.

Promoting a market for recycled plastics by continuing to increase the proportion of recycled plastics in our packaging

Preventing packaging material from ending up as waste, including in seas, oceans, and waterways, is one of the key reasons behind Nestlé’s pledge.

As you can see, Nestle is making another step for protecting the environment. Most of Nestle’s products are small and packed individually, and the usage of packing material is a very large amount. After the product is consumed, only about 36% of it will be recycled (2015). Plastic is a very difficult material to degrade and will cause white pollution. If this goal is achieved, the pollution due to plastic waste will decrease a lot.

So the concept of Nestle products may be like this:

All the suppliers are managed by one common coding rule, and all materials are traceable for better quality; most of the pollutants will be recycled and reused to minimize waste. I think this is the lifecycle that Nestle is trying to achieve and make their concepts for sustainability come true.

The SAI Platform, water management, rural development, and commitments about ethical issues. As a non-governmental organization, Nestle helps and takes responsibility for economics, the environment, and society.

Conclusion

Nestle and Unilever are both big and great companies in this vulnerable world. There are many problems to be solved, such as famine, drought, poverty, water pollution, greenhouse effects, and so on. From my point of view, Unilever is more likely to seek solutions from the inner self by establishing departments and changing its management strategies. Also, the goals about sustainability of Unilever seem like a long-term plan; it is very ambitious, which is good, but it is hard to achieve in a short time or some staging target.

Nestle focused on small but effective targets to make sustainable agricultural sourcing and help the world in many ways. The strategies about nutrition, water, and rural development all contribute to cutting down the pollution, getting rid of poverty, creating job opportunities, and so on. It also improves the supply chain of Nestle, even the whole food industry, by unifying the supplier code of conduct and making raw materials provided traceable for quality and management.

Above all. I'd like to say that Nestle is more likely to be doing a solid job of taking responsibility for economic, environmental, and social issues. Making a better world as a great company. (Brand Finance, 2024)

References

Nestlé. (2025). *Publication of 2024 annual report.*

<https://www.nestle.com/media/mediaeventscalendar/allevnts/2024-annual-report>

Unilever PLC. (2025). *Annual report and accounts 2024.*

<https://www.unilever.com/investors/annual-report-and-accounts/>

The Guardian. (2024). *Major food companies failing to protect nature, report finds.*

<https://www.theguardian.com/environment/2024/sep/25/major-food-companies-failing-protect-nature-report>

Brand Finance. (2024). *Taste of success for global food brands led by Nestlé and Lay's.*

<https://brandfinance.com/press-releases/taste-of-success-for-global-food-brands-led-by-nestle-lays>