

Nestlé's Sustainability Development Goals

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The multinational company Nestle was established in 1866 in Switzerland, and it has been growing ever since. However, there have been some major ethical concerns that have placed Nestle in hot waters. The world is becoming socially aware, so some practices that were ignored in the past have major consequences now. There have been many boycotts in the past regarding their unethical sourcing of bottled water, noncompliance to marketing policies, the conflict between Nestle and US communities, etc. So, it is in Nestlé's best interest to address these ethical issues and develop sustainability development goals (SDGs) that will improve its image globally. This paper will highlight these ethical issues and the negative consequences of these issues and make some recommendations.

Current ERS Issues

Every company has to be ethical, responsible, and sustainable, but unfortunately, Nestle falls short of these traits as public opinion is not in its favour. The sustainability of the triple bottom line (TBL) and the company depends upon the transparency of the company's actions. Their actions revolve around the people, planet, and profit, which are considered the "three cores". The company's visibility is presented through annual reports. Nestle stated that it has made jobs for more than seven hundred thousand people. However, in October 2019, a report suggested that the rights of workers were being abused, and campaigns against worker unions were being conducted by the company (AFL-CIO, 2019). There were also reports of discrimination, unfair productivity measures, and a lack of respect.

There are also reports of unethical water and cocoa sourcing. In 2017, Nestle stated that through their "Cocoa Plan", 51 per cent of child labour has been reduced, and the cocoa was being sourced ethically. However, it later came to light that only 44 per cent of cocoa was being sourced through the Cocoa Plan, and the rest was being taken from unethical sources (Walt, 2020). Many countries and people have been boycotting Nestlé's bottled water for unethically extracting water and drying up the sources, causing droughts. Some of this water was packaged as water from Poland Spring and sold at a higher price, which led to a lawsuit (Patterson, 2013). Many of California's Strawberry Creek beds that used to be gushing springs are completely dry as Nestle illegally took 45 million gallons of water from them. This water was taken from federal land, and compensation was not given to the state or the US Forest Service (Perkins, 2019). Nestle does not report its carbon emission percentage clearly and still employs HFC refrigerants. It claimed that it would slowly stop using these refrigerants, but no clear indications were provided. These kinds of unethical practices are damaging the environment and greatly affecting the company's TBL.

Another major ethical issue that Nestle has is that it still performs animal testing and factory farming

and has no regard for animal rights. Milk is the biggest raw material in terms of volume, but there is no information on the welfare of the cows in terms of their living conditions. Other raw materials like eggs, poultry, and meat are bought from different suppliers globally, but there is also no clear information on their ethicality. Nestle stated that it would only conduct animal testing when necessary, but the statement was met with dissatisfaction as many companies have stopped animal testing and have opted for other ways of testing products (Starling, 2013). Nestle is a global company, so it needs to be responsible for every action that it takes. These issues cannot be brushed under the rug as there will be major consequences for the company's image. Nestlé already has a negative public opinion, and any effort made is seen as suspicious and distrustful.

Negative Impact on the Stakeholders

The stakeholders of any company include the employees, investors, suppliers, and customers, so any negative action of the company can have negative consequences for the stakeholders. Due to Nestlé's different unethical practices, the customers as stakeholders have expressed their distrust of the company through highly critical messages that totalled up to 120,000 emails received by Nestlé's CEO. This action of the customers was due to the deforestation of the Indonesian rainforest and the destruction of the home of many species in an attempt to source palm oil. The employees as stakeholders played a role by formally apologizing and informing them that they had changed their supplier, which was more ethical. These types of issues develop a rift between the company and the stakeholders as they lose their trust in the company. This distrust is apparent as the ratings that Nestle has received from its customers are only 2-star ratings out of 5 (Trustpilot, 2022). These reviews admonish the company on their unethical practice and suggest that either the company reverse the damage they have done or simply close down. The negative connotations of Nestlé's bad image seem insurmountable as they have lost the trust of their major stakeholders: the customers. They need to make big and obvious changes if they want to survive the public backlash.

Recommendations and Conclusion

The company needs to win the stakeholder's favour by making some major changes, not just empty promises. The best way to do this would be by assembling sustainable development goals (SDGs) reports and addressing major ethical issues. The first goal should be material sourcing, which involves working with fair-trade farmers and suppliers. They need to always investigate who they are contracting as their supplier and make sure that these suppliers do not use child labourers. Their Cocoa & Forests Initiative should prove helpful in the implementation of responsible sourcing. The Cocoa Plan has been devised in a way that implementing it will ensure that cocoa sourcing is done through ethical suppliers. The 2025 date has passed, so this should be treated as a historical recommendation 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. When this plan is fully implemented, major environmental and ethical concerns regarding cocoa sourcing

will be addressed (Myers, 2021).

Nestle needs to be more transparent with its actions and the way it presents information so that people are not concerned by the lack of information. It needs to provide the names of all its suppliers for the public, to see as their distrust is too great at this moment, and Nestle needs to gain their trust back because there would be no Nestle without its customers. They also need to report their carbon emission percentage and the ways they will be reducing them in the future. Reducing plastic usage should also be the company's focus, as there has been a devastating amount of pollution caused by single-use plastics. It is also high time that Nestle stops animal testing as it is not acceptable in any way, shape, or form in present society (Nestle, 2020). People are highly aware of animal rights and will not accept animal testing under any condition. These changes need to be made as there are many unethical practices associated with Nestle, and consumers are slowly moving away from its products. If this keeps on happening, then in the near future, Nestle will become a forgotten memory. Sustainability and an eco-friendly approach will be in the company's best interest. Nestle needs to correct its mistakes and not cover them up.

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