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## **The Power of Unions**

### **The Power of Political Unions on Corporate Social Responsibility within Businesses**

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Master Thesis  
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## Resumé

Dette kandidatspeciale er skrevet og udarbejdet ud fra et socialkonstruktivistisk synspunkt og lægger bund for vores hermeneutiske antagelser og research-proces igennem den induktive tilgang. I 2015 trådte Nestlé ind i UNs 17 verdensmål. Mål, med henblik på at ændre verdenen og forbedre dets vilkår, og 14 år tidligere trådte Nestlé ind i deres første politiske samarbejde med UNGC. Men er der en grund til, at virksomheder indgår i samarbejde med politiske unioner og ændrer det måden, hvorpå deres CSR bliver konstrueret og præsenteret udadtil?

Dette speciale vil gennem vores research og analyse fremvise vores antagelser af Nestlés CSR profil, og hvorvidt UN's 17 verdensmål har påvirket Nestlés udarbejdelse af deres forpligtelser og mål. Ud fra analyseresultaterne i analyse et, udsprang analyse to med henblik på at identificere 'Action og Politic' relaterede aktiviteter inden for Nils Gustav Magnus Brunssons teori vedrørende hykleri inden for organisationer. Her undersøges antagelsen om, hvorvidt virksomheden ændrede deres CSR-politik, efter de indgik i de 17 verdensmål i 2015. I samme relation undersøges det, om der er ligheder mellem Nestlés partnerskab med UNGC, og deraf om de 10 principper har haft en lignende effekt. Herfra udsprang konceptet Bluewashing med fokus på, hvorvidt virksomheden ændrer deres CSR gennem deres CSV-rapporter på baggrund af politiske tiltag.

Specialet resulterer i konklusionen, der præsenterer resultaterne over, hvordan Nestle som faktum ændrer deres Creating Shared Value rapporter markant, efter de har adopteret de 17 verdensmål i 2015. Der argumenteres her, med brug af eksempler på, at der foreligger en tendens på Bluewashing i virksomheden, der ligger bevidst eller ubevidst skjult i CSV-rapporterne. Grundet de 17 verdensmåls popularitet og virksomhedernes globale engagement i disse, vil målene naturligt have en effekt på virksomhedens image, i denne sammenhæng Nestlé. Specialets undersøgelser samt analyseringer af rapporterne viser en organisation med store intentioner og ambitiøse rapporter med langsigtede mål. Dette understøttes af Brunsson, der i sin teori fortæller, at en virksomhed sjældent er lige dele 'Action eller Politic' engageret, hvilket forklarer Nestlé's intentioner af Action relaterede aktiviteter som mere dominerende end deres politiske resultater. Analysen af rapporterne belyser abstraktheden af de 17 verdensmål. Bluewashing introducerer en tendens over en strategisk udarbejdelse af målene samt adoptionen af disse blandt virksomheder verdenen over, der ønsker at opnå et "blåt" image gennem UNs verdensmål og igennem disse, opnå et strategisk kvalitetsstempel

i form af deres intentioner, der forelægges i CSV-rapporterne. Her argumenterer specialet for, hvordan Nestlé læner sig op af Bluewashing, og hvordan det kunne indikere, at deres indtrædelse i de politiske unioner var en form for strategisk krisestrategi efter to af de største kriser i virksomhedens historie. Derudover diskuterer specialet om de 17 verdensmål er for abstrakte i forhold til implementering af målene. Konklusionen tilknytter sig vores explanatoriske metodetilgang i vores analyse, der tilsammen skaber en åben konklusion med plads til forandring samt mulighed for ændringer i form af en anden metodisk tilgang.

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# 1. Introduction

Corporate Social Responsibility is currently a buzzword worldwide and has become one of the biggest concerns and focuses for governments, corporates and individuals all over the world. As a result of the increased focus on social responsibility, companies worldwide aim to appeal to consumers by adopting a more sustainable image with morally correct values. While some companies are launching authentic CSR initiatives, others are merely adapting into social and cultural tendencies created by larger corporates.

One of the most important and influential corporates working with ethical values is the UN. In an effort to make a change in the world, the UN formed and implemented 17 Sustainable Development Goals, referred to as SDG's. The SDG's were acknowledged and adopted by world leaders in September 2015 at an UN Sustainable Development Summit; two days from 25-27 of September to kick-start a new era of sustainable development. UN's Secretary-General Ban Ki-moon states the following: "We have a big, bold agenda before us – now we must work to make it real in people's lives everywhere" (UN 2020). The summit was held at UN Headquarters in New York with 193 Member States of UN with the historic new agenda entitled as follows: "Transforming Our World: The 2030 Agenda for Sustainable Development" (UN 2020). Secretary-General Ban Ki-Moon elaborates this agenda with the following: "It is a roadmap to ending global poverty, building a life of dignity for all and leaving no one behind. It is also a clarion call to work in partnership and intensify efforts to share prosperity, empower people's livelihoods, ensure peace and heal our planet for the benefit of this and future generations" (UN 2020). UN had the intention of creating a new agenda with a great focus on universal concerns. It should be transformative and integrated worldwide, which called for action by all countries over the next 15 years with five focal points enhanced as being of critical importance: people, prosperity, planet, peace and partnership (UN 2020).

The SDG's were commissioned among others to create sustainable solutions within several fields, for instance in agriculture, clean water sanitation, industry, innovation and infrastructure. The SDG's were inspired by the global success of the 8 Millennium

Development Goals from September 2000 to 2015. The UN Millennium Declaration was signed by world leaders with the intention of combating poverty, crucial diseases, poverty, illiteracy, discrimination against women and environmental degradation (UN 2020).

On the 26th of July 2000, The United Nations Global Compact, referred to as UNGC, was founded as the world's largest corporate sustainability initiative (UN 2020). UNGC has over 10,000 corporate participants and stakeholders in over 170 countries, and they state their intention as follows: "A call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals" (UN 2020). The universal principles they are referring to are the UN goals, currently being the SDG's. UNGC encourages companies worldwide to support the SDG's by taking action and adopting into the values of the globally affecting goals. UNGC relies on the 10 Principles of the UN Global Compact concerning human rights, labour, environment and anti-corruption (UN 2020).

One of the members of UNGC is the global company Nestlé. Nestlé's headquarter is based in Switzerland and with 333,214 employees, 447 factories and operating procedures in 189 countries, Nestlé is one of the largest global companies owning over 2000 brands. Over the years, the media has given Nestlé a lot of attention and coverage, since there has occurred to be concerns with several cases contradicting Nestlé's CSR profile and their core values, such as pollution and unethical marketing strategies. Several platforms even encourages consumers and businesses to boycott Nestlé, for instance Baby Milk Action in UK, who decided to create a "Nestlé-free zone" because they believe the organization contributes to death and suffering of infants through their marketing of baby food (BabyMilkAction 2020). This particular issue is one of many and ListVerse decided to list the 10 most outrageous Nestlé Scandals with the mentioned case and cases concerning stealing resources, child labour, deforestation and mislabel products (ListVerse 2018). With the increased focus on supporting global concerns, companies are starting to change their use of PR by explicitly explaining how they contribute to UN's stated issues and Nestlé is no exception. With a brief look on Nestlé's online CSR profile, the above-mentioned accusations do not align with their stated agendas and intentions.

This tendency of portraying a company as compliant to UN's goals and the principles of UNGC has developed over time, which resulted in the concept of "Bluewashing" (UN 2020). Bluewashing is defined as a way "To tout a business or organization's commitment to social responsibility, and to use this perception for public relations and economic gain; to present a humanitarian front in this manner" (UN 2020). It is considered a strategic way for corporates to associate themselves with UN for the purpose of popular advertising. When portraying the company as a supporter of UN and UNGC and their values, the consumer would naturally believe that the company is in congruence with the principles of human rights, sustainable solutions and similar qualities.

In this thesis, we wish to investigate how UN and UNGC have affected a large business as Nestlé's CSR profile over time. We would like to examine Nestlé's CSR profile and identify whether or not the company has adapted their profiling in two specific situations. The first part of the analysis will scrutinize the CSV's from 2011 to 2019 in order to examine the CSR profile before, during and after the acknowledgement of the SDG's to be able to identify how the acknowledgement by world leaders has affected Nestlé's profiling. The second part of the analysis will scrutinize the findings from analysis one through the theoretical approach of Brunsson's perspective on the action and political model. After carrying out these two sections of the analysis, we wish to discuss the concept of Bluewashing and identify whether or not Nestlé has been using this strategic technique.



## **1.1. Formulation of the problem**

As large corporations with global responsibility, the UN and the UNGC are considered both trustworthy and as a predecessor in terms of morally correct values. With over 10,000 members of UNGC, the amount of companies supporting and supposedly practicing the commitments of the SDG's and the 10 principles of UNGC are escalating. However, the concept of Bluewashing creates certain grey zones, where consumers are left with the image of UN and UNGC when scrutinizing individual companies, despite of the fact that these companies are not necessarily practicing the commitments. As stated in the introduction, Nestlé has been accused of several offences over the years, while still maintaining their partnership with UN and UNGC. This left a curiosity where one could wonder if Nestlé adapted their CSR profile in order to maintain their position as a pioneer within the field of goodwill.

## **1.2. Research Question:**

How did the UN's 17 Sustainable Development Goals and the 10 principles of UNGC affect Nestlé's communication of their CSR commitments?

## **2. Literature review**

The following section will provide an overview over chosen published data in relation to the theme frame within this thesis. The section should enhance different perspectives and approaches in order to create a broader horizon and to acknowledge other researches and available information.

After the examination of our chosen literature, there will be a section dedicated to explaining how the material's different perspectives can be related to our thesis and thereby specify how it adds value to our chosen approach.

### **2.1. "Implementing Corporate Social Responsibility: Empirical Insights on the Impact and Accountability of the UN Global Compact" By Stefan Schembera**

In 2012, Stefan Schembera did a research paper on implementing corporate social responsibility concerning empirical insights on the impact and accountability of the UN Global Compact. This study is developed through a quantitative method in order to investigate how business participants in the largest CSR initiative being the UNGC insert CSR into their organizations (Schembera 2012, 1). To analyse this area of research Schembera uses knowledge from institutional and stakeholder theory (Schembera 2012, 1). Schembera identified a lack of research and knowledge in the focus of the effectiveness of CSR implementation through public responsibility initiatives, meaning the implementation of strategies and goals of the Union's into corporations. In addition, Schembera argues that CSR has mainly been treated as a domestic phenomenon and are missing a more global perspective. The aim of this research is therefore to examine, in general, CSR policies relying on implementation measures not tied generally to the UNGC and to create focus and knowledge to this area. This is done by "conducting a large scale of empirical analysis describing and explaining variation in UNGC implementation" (Schembera 2012, 3). Schembera also raises the question of possibility on BlueWashing of an organization's image when associating and cooperating with the UN or the UNGC which here raises the question of the effectiveness.

Schembera states the missing research on the implementation of CSR within organizations where the most research has revolved on whether CSR were good business or not. Schembera investigates both the UN and the UNGC and question the UNGC principles on how they lack concrete guidance to organizations on how to implement the 10 principles in organizations. It is therefore argued that there is missing stricter criteria from the implementation of these principles when adopted by an organization. This is also a way to identify the real intentions of the organization adopting the principles, in an attempt to avoid the risks of possible BlueWashing cases (Schembera 2012, 9-10). It is here explained that due to this, the UNGC in February 2011 introduced a three-level differentiation programme divided into the three different categories; Learner, Active and Advanced (Schembera 2012, 10). The research described the organizations implementation into the three different levels and how they get branded by the UNGC depending on their communication to the Union on the 10 principles set by the Union. This is described by Schembera to be a solution to fight against the possibility of BlueWashing. Schembera here moves on to investigate whether business practices have been changed over time due to UNGC membership, he here states the possibility of fact, that some organizations join-in to benefit from the good UN reputation without making any changes. He moves on to discuss the UNGC and the different learning experiences and network it provides. He uses the stakeholder theory to explain this insight from a theoretical point of view (Schembera 2012, 12). The theory prevails and argue how certain types of CSR implementations are attempts to create or build strong and trusting stakeholder relationships. It therefore argues to be a driver for the CSR in general but also for joining the UNGC (Schembera 2012, 12). Through the empirical data and the stakeholder theory the research assumes “the total amount of a company’s stakeholder engagement increases with the time of UNGC membership” (Schembera 2012, 13). This is argued, due to the knowledge of gathered research material to be the solely benefit for members of the UNGC. (Schembera 2012, 13). According to Schembera, Rasche fostered the allegation that due to missing evidence the UNGC is not accountable and described it as the most popular critique of the UNGC among researchers and specialists. This form of critique is what threatens the legitimacy of the UNGC. The lack of evidence is partly responsible for the accusations of the UNGC to be a marketing tool. This issue is argued through the report to be the reason why UNGC created the communicative progress were organizations are required to assure the political union that they follow the 10 principles set by the Union, and if not

they will get marked by the UNGC as non-communicative and possibly excluded from the Union (Schembera 2012, 20-21). This is a method to provide readers and stakeholders the opportunity to see whether the organizations are invested as intended in the 10 principles set by the Union.

Schembera also in his research discuss an organizations behaviour when identifying a scandal in order to trace the total of CSR scandals an organization has been involved in. The purpose of this research study by Schembera was to analyse the impact and accountability of the UNGC through different hypothesis he answers through the report. Lastly Schembera states that organizations should be warned, when it comes to BlueWashing that entering the UNGC might not be the solution to an organization's problems to recover an image or from a scandal (Schembera 2012, 41). This study is produced, conducted and written to contribute to the literature in form of developing a new theoretical model to describe and explain the variation in UNGC implementation as well as scrutinizing the new measures for UNGC implementation. However, through the research Schembera states that his research to some extent lacks credibility and that higher UNGC implementation levels are not associated with significantly less UNGC scandals (Schembera 2012, 1).

## **2.2. “The EKOCENTER: A Case Study in Coca-Cola, Corporate Social Responsibility, and Bluewashing” by Joy Marie Hamilton**

In May 2015, Joy Marie Hamilton wrote the thesis “The EKOCENTER: A Case Study in Coca-Cola, Corporate Social Responsibility, and Bluewashing”. The thesis is about Coca-Cola's CSR project called the EKOCENTER which was developed in 2013, also called ‘kiosk’. The EKOCENTER helps communities who do not have access to clear drinking water, storage of vaccines, wireless communication technology, Coca-Cola products and so on. The thesis analyses the CSR press material from Coca-Cola along with media highlights of how Coca-Cola show concern for the society on example the environment and public health in order to work to secure their position as the world’s largest beverage distributor. The discourse of the EKOCENTER mentions ‘Bluewashing’ and questions the term towards a negative perception of Coca-Cola. Furthermore, it contains a discourse over the

contradiction between the Coca-Cola's business model and its reliance on water access and Earth's limited fresh water supply (Hamilton 2015). The new CSR initiatives of kiosk will be placed approximately around the world, and Hamilton hope through her research to investigate the beverage giant critically to discover the truth on the organization and its business model, as it is an organization often referred to as evil or get blamed for contributing to global diabetes epidemics (Hamilton 2015). It is here stated and discussed by Hamilton that the story of the beverage company is much more complex than so (Hamilton 2015).

The research question for Hamilton's thesis is to investigate how Coca-Cola uses the media and press releases around the EKOCENTER to increase shareholder and consumer value for the company, in addition the thesis covers the most fundamental parts of Coca-Cola in a crisis and the thesis investigates how Coca-Cola draws upon environmental rhetoric to green- or blue wash their brand. The CSR programme the EKOCENTER is the centre of the analysis of the thesis, and lastly it will clarify how the EKOCENTER's discourse works to legitimize Coca-Cola's authority in their field (Hamilton 2015). The focus of the thesis is PR and CSR, areas Hamilton defines as "frustratingly difficult" (Hamilton 2015) as they are difficult to define (Hamilton 2015). She in the analysis of the EKOCENTER of Coca-Cola, question if blue is the new green when it comes to 'washing' a company, referring to Bluewashing and greenwashing. The analysis is produced on deep readings of the chosen texts and press release videos from which several themes for the analysis erodes. In the process of writing her thesis and to structure the analysis, Hamilton uses textual and visual material of the EKOCENTERs press releases in order to understand the different relations it enholds. The different analysis' is set up after the findings conducted through the empirical material of the thesis (Hamilton 2015).

In addition, the thesis explains how climate changes threaten the water supply around the world and how the new CSR programme 'EKOCENTER' fits into this equation. It analyses the communicative strategies of large transnational beverage corporations like the Coca-Cola company and why these are so important. Through the thesis Hamilton argues and discuss that the EKOCENTER is not just black and white, but much more complicated than to just being able to define or be described as good or bad (Hamilton 2015). However, the thesis states, that even though the EKOCENTER is made and founded as a CSR programme to help

in form of providing clean drinking water, the thesis argues the ethical dilemma in the ideology of approach, that an organization should have the rights for basic human needs such as water. As for example when Coca-Cola uses water as part of their CSR, dominantly. Doing so, by using the need for water in parts of the world with a disadvantaged or more exposed populations, who has critical access to clean drinking water, as a way to succeed with corporate goals is argued to be ethically wrong (Hamilton 2015). The thesis here explains its view on PR on an image or form of management tool to direct or advert attention depending on the situation. Hamilton argues that leaders like Barlow, along with other environmentalists, encourages it to be a basic human right and should not be set up in goals benefitting companies corporate social responsibility as well as their economical situation (Hamilton 2015). The thesis ends by explaining how the popularity and size of a company is not always an advantage and how it can work as a way to keep big corporations like Coca-Cola in line. By this, Hamilton states that when a company like Coca-Cola is vulnerable to local interests and demands and get called out on the concerns that the society can have towards the company or a scandal, Hamilton argues this to be able to work as a balancing system for the big corporations. To provide positive examples that other big corporations can look to, to compare it against dominates like Coca-Cola (Hamilton 2015).

### **2.3."Is Blue the new Green? Colors of the Earth in Corporate PR and Advertisement to Communicate Ethical Commitment and Responsibility" by Peter Seele**

In 2007, Peter Seele wrote the research paper concerning Bluewashing and its relation to Greenwashing, and how corporate PR and advertisement communicate ethical commitments and responsibilities. Seele starts of his research paper by acknowledging the turbulent connection between Ethics and businesses. He states, that when a business is going through a crisis the progress of business ethics is much more intensified and progressing than usual, in order to move from talk and postulations to action. To prevent this, Seele states different ethical programmes has been put into place to secure corporate identity and responsibility within organizations (Seele 2007, 3).

This paper “discuss the effect of the media perception of business ethics and how this in return affects business ethics. Green Advertisement and the concept of Greenwashing and its evolution and wording exemplarily show this mutual interaction” (Seele 2007, 4). Seele introduces green advertisement to the research and state it as a multi-million-dollar public relations campaign and argue that big Public Relations companies specialization is to green the image of an organization (Seele 2007, 4-5). Seele explains the origins of Greenwashing and the difficulties there were surrounding getting the term acknowledged and taken seriously. He hereafter introduces a new and revolutionary term (Seele 2007, 6). This new, developed and innovative form of Greenwashing is called Bluewashing (Seele 2007, 8). The term ‘Bluewash’ originates from the colour of the UN. Seele present Bluewashing in this research through a corporate perspective. When Bluewashing, it is often through a description of the corporate association within the UN which has one of the highest symbols within human rights. Organizations can make their CSR look more favourably by connecting the organization with the UN or UNGC to make their corporate social responsibility look more impressive (Seele 2007, 9). Seele argues that the older term greenwash is not as popular anymore as the newer term Bluewashing which communicates environmental concerns (Seele 2007, 11). Issues of ethical or environmental practises are getting increasingly more important for organizations because of the growing importance of it within society and its influence on consumers as well as suppliers (Seele 2007, 11).

Seele argues why Blue is the new Green in green advertisement. He also investigates other forms of Bluewash under the term greenwash (Seele 2007, 12). He argues, an organization not to be able to achieve a purely ethical reputation or an extremely impressive profile without being in suspicion or accused for Green-or Bluewashing their corporate social responsibility of the organization (Seele 2007, 13). “This has to do with the communicational aspects of ethics and authenticity. There will always be someone to challenge the communicated position by proposing an antithesis (Seele 2007, 13). This is a big part of the evolvement of an ethical aware culture within organizations and consumers, both internal and external (Seele 2007, 13).

Seele presents two explanations developed by the authors of Greenwash, Greer and Bruno, on how an organization can move from Greenwash to being truly Green (Seele 2007, 14). As

explained, Seele states through his research the new term Bluewashing and how it originates from the older term Greenwash. Bluewash originated from Greenwash with a link to the UN. However, Seele also states how the terms can be used in different contexts and explains it from a public relations' and ethical Perspective. Seele's research creates awareness on the complexity of corporate ethics communication, along with how the terms are used in strategic PR (Seele 2007, 15). The suggestions on how not to wash companies is developed as a framework, where Seele explains Bluewash to be an "ideology employed in a political and strategic way dialectical force to encounter corporate communication and power" (Seele 2007, 14). Here, he argues the responsibility of the consumers, who in the research is argued to be the boss of basically all corporations relying on everyday consumers, as they decide what to buy and what companies to support for what they do and what action they take. As for example, if an organization are caught blue-or greenwashing their organization or finds themselves in a scandal, consumers can punish companies by not buying their products. However, the consumers must acknowledge their power for this form of suggestion or proposition to work. In the second proposition, Seele argues the media should take on more responsibility, as they have the power to provide consumers the perception of ethics and affect consumers as medias is a consumer product as well. These propositions are provided by Seele to prevent Blue- and Greenwashing of organizations.

#### **2.4."Philanthrolateralism: Private Funding and Corporate Influence in the United Nations" by Karolin Seitz and Jens Martens**

The article was published by Global Policy Forum in August 2017 and touches upon the complex subject of philanthrolateralism within UN. It is carefully structured with an abstract in the very beginning followed by four policy implications that is highlighted as suggestions or concerns.

Over the past two decades, there has been a higher level of engagement between the corporate sector and the UN and their corporations, such as The United Nations Development Programme (UNDP). The volume of private contributions to the UN Secretariat and the UN system has increased heavily, however it is stated in the article that it is tricky to track



precisely (Seitz and Martens 2017, 46). Solely in 2013, US\$3.3 billion was given to the UN system as voluntary contributions from corporations, civil society and foundations, which is measured as 14 percent of all specified voluntary contributions (Seitz and Martens 2017, 46). Private funding of UN related activities could be received through a variety of forms, for instance through contributions to UN Trust Funds, country-level programs and specific support for activities and initiatives (Seitz and Martens 2017, 46). Some fundings have a direct approach and contribute in the same manner, while others contribute through philanthropic foundations, which is the case with the UN Foundations. These fundings can represent a dominant share of support for specific activities and programmes and at the country level. This is seen in the health sector, which relies heavily on contributions and influence from the Bill & Melinda Gates Foundation (Seitz and Martens 2017, 46). However, the article states that system-wide information on the quality and quantity of funding from corporate sector is not available for neither the public nor corporations.

This is despite of the fact that several UN funds and agencies list the amounts of contributions received from individual corporate donors. As an example, the UNDP has since 2006 received US\$13 million from the Coca-Cola Company in support of their joint initiative “Every Drop Matters”. The initiative contributed with grants for local groups in Central Asia and Eastern Europe in order to undertake projects with the purpose of improving water quality, water management and people’s access to water. The article enhances several of these cases where a large business has engaged in and supported the UN and their initiatives, and these contributions turn into great responsibilities at times. This was seen in June 2014, where Muhtar Kent, the Chairman and CEO of Coca-Cola became the first Chair of the UN Women Private Sector Leadership Advisory Council (Seitz and Martens 2017, 47). The council was created to provide “strategic input to guide advocacy and resource mobilization efforts” (Seitz and Martens 2017, 47). The article describes this tendency of partnering with corporations as a trend based on the assumption that UN would not be able to solve global issues on their own, and therefore partnerships with the private sector are viewed as efficient, pragmatic and solution-oriented (Seitz and Martens 2017, 47). Additionally, with the adoption of the UN’s SDG’s and the 2030 agenda, the article states that governments have attributed a prominent role to the private sector with the purpose of achieving the new goals and simultaneously close funding gaps (Seitz and Martens 2017, 47).

UNESCO listed incentives for companies to enter into a partnership with the UN, and a few of the points are the following: "Benefit from a strong image transfer by associating your-self with a reputable international brand and a prestigious UN agency", "Win greater visibility on the international scene" and "Strengthen your brand loyalty through good corporate citizenship" (Seitz and Martens 2017, 47).

Another interesting enhancement of the article is how UN partnerships are considered anything but a one-way street and therefore affect both partners. The article refers to this as "image transfer" and questions whether or not there is a risk that the cooperation with controversial corporations like Coca-Cola or Microsoft affects the image of UN and their previous reputation as a neutral broker.

## **2.5. Relevance of chosen literature**

The study by Schembera was chosen as it provides an outlook on the implementation of CSR and the Union's responsibility. He provides knowledge on the implementation of strategies and goals of the Unions and how they are to be realized into organizations. Schembera questions the UN and UNGC goals to lack information and concrete guidance on how to implement the goals and principles affectively, arguing it to be missing stricter criteria in the implementation of the principles when adopted by organizations, before organization are able or allowed to use the Unions in their CSR. This provides relevancy to this thesis as it also questions the lack of criteria in form of stricter implementation rules and the abstractness of the SDGs. Schembera in addition raises the question of possibility on Bluewashing of an organization's image when associating with the UN or UNGC, which arises from the lack of criteria on implementation. This specific research was chosen as it provides supporting material in form of results pointing towards the missing criteria in stricter implantation rules which part of this thesis argues too.

The research written by Hamilton is chosen as it provides information on a research similar to this thesis, as Hamilton conducts knowledge on CSR and Bluewashing within a single organization in form of Coca-Cola as this Thesis uses Nestlé. Hamilton questions the ethical

values of CSR in example ‘water’, as it should be a basic human right. She also argues whether Blue is the new Green and how Bluewashing can be used through Political partnerships. Providing another perception of the term Bluewashing. Hamilton’s research and method are quite different to this thesis but do provide extra information on areas consisting within this thesis too. The ethical dilemma of CSR in form of distinguishing what is helpful and what is supposed to be a basic human right and should not benefit an organization financially is an interesting jurisdiction and provides another outlook on the realness and limits of CSR. An outlook we find interesting supplementing this thesis.

In addition to Hamilton, Seele mentions the fact of organizations deeply engaged in CSR always will be accused of Blue- or Greenwashing. We believe this to be an interesting perception, however, a perception we wish to comment on, and argue that if an organization can be accused it can also be exonerated. We believe this part to provide an extra information to this thesis, as this thesis provides an outlook into how to spot a tendency on Bluewashing as it exonerates Nestlé within the UNGC after our research, but questions its real values towards the UN and the SDGs. In addition, it provided information on the origins of Bluewashing and how other perceptions of the term is acknowledged. Seele’s research also provides extra information, not already acknowledged to this thesis.

The article by Seitz and Martens was chosen because of the interesting aspect of private funding in the corporate sector. In this thesis, our perspective in regards to Bluewashing revolves around the concern that companies falsely rely on the reputation and blue image of UN and UNGC and are not necessarily practicing the same morals and working with the same commitments that are demanded in the partnership. Additionally, the major concern is the fact that companies actually tend to work in highly counterproductive manners and in some cases even illegally. This article provides a focus on the hidden influence caused by large organizations and their fundings, where the contributions develops into responsibility and power within a given sector, for instance the health sector, as stated in the article. It enhances the complications that might appear for global governance when private funding actually change UN agencies, funds and programmes into public-private projects or contractors for bilateral.

### 3. Empirical data

#### 3.1. UN's 17 Sustainable Development Goals

In the following section, there will be a presentation of UN's 17 Sustainable Development Goals. Each goal will be carefully scrutinized and elaborated in order to create an adequate understanding of UN's values and intentions.



(UN 2020).

UN has developed 17 Sustainable Development Goals (SDGs), which are presented on their website, portrayed in the picture above and listed below.

When reviewing the list on the website, it is possible to click on each goal and discover the specific details and intentions behind each goal in order to gain a greater knowledge about their actions in practice and how they would strive to succeed with the specific goal. Each goal is either set to be reached by 2020 or by 2030 as a part of their “#Envision2030” agenda (UN 2020). UN states how their SDG's should transform the world and their new agenda revolves around softer values and has a more holistic approach to achieving a successful and sustainable development concerning all people.

### **Goal 1: No poverty**

The first goal has the intention to end poverty and hunger for all people with a special focus on minorities and disabled people. UN wants to nationally implement appropriate social protection systems and measures for all and additionally achieve substantial coverage of the vulnerable groups of people. UN has the intention of ensuring that everyone has equal rights to economic resources, such as access to basic service, ownership over properties, access to natural resources, new technology and financial services (UN 2020).

In addition, the first goal focuses on building the resilience of the poor and vulnerable and reduce exposure to climate-related disasters and other social and environmental shocks (UN 2020). Furthermore, UN has the intention of ensuring significant mobilization of resources from several sources to be able to provide correct and predictable means for developing countries with a special focus on the less developed countries (UN 2020). Lastly, UN wants to create a policy framework at all levels, national, regional and international, which should be based on pro-poor and gender-sensitive strategies to support investments in poverty eradication actions (UN 2020). UN states how there is a bidirectional link between poverty and disability, which they take into high consideration (UN 2020).

### **Goal 2: Zero hunger**

UN stated the following about their second goal: “End hunger, achieve food security and improved nutrition and promote sustainable agriculture” (UN 2020). This is to sum up their intention with the goal, however, as an elaboration they list their targets that need to be focused on in order to achieve this. The first target has to ensure access to nutritious food to all people, especially minorities and vulnerable groups, such as elderly, poor people and infants. Second target has the intention to end all sorts of malnutrition with a special focus on children under 5 years of age, pregnant and lactating women, elderly and adolescent girls.

Their third target focuses on doubling the agricultural productivity and incomes of smaller food producers with a special focus on women, indigenous people, farmers and fishers. Additionally, they should have secure and equal access to land and resources, general knowledge, the market and financial services. Their fourth target revolves around ensuring a sustainable food production system and to implement resilient agricultural practices in order to increase production and in general productivity in the processes. This should contribute and help to maintain ecosystems to strengthen the capacity for adaptation to climate change,

natural disasters etc. Fifth target focuses on maintaining genetic diversity of seeds, farmed and domesticated animals and related wild species and cultivated plants. In addition, there should be a focus on including through soundly managed and diversified seed and plant banks at national, regional and international levels. There should be access to a fair and equitable sharing of benefits arising from the utilization of genetic resources. The sixth target focuses on increasing investment and including through enhanced international cooperation within rural infrastructure, extension services, technology development, agricultural research and plant and livestock gene banks. This is to enhance agricultural productive capacity in developing countries with a special focus on least developed countries. The seventh and last target focuses on adopting measures to ensure the proper functioning food commodity markets and their derivatives and facilitate timely access to relevant market information. This is to help limit extreme food price volatility (UN 2020).

### **Goal 3: Good health and well-being**

The third goal revolves around ensuring health and well-being for all humans at all ages. They state how they would like to reduce the global maternal mortality ratio to less than 70 pr. 100,000 live birth, and strengthen the prevention of substance abuse for instance drug abuse (UN 2020). UN has the intention of ending epidemics of malaria, tuberculosis, AIDS and other neglected diseases by preventing and treating them faster and additionally promote mental health and well-being (UN 2020). Another agenda is to strengthen the prevention and treatment of substance abuse, which includes narcotics and alcohol. UN also wants to focus on decreasing the number of death and injuries worldwide caused by traffic accidents. Furthermore, UN has the intention to ensure universal access to sexual and reproductive health-care services and achieve universal health coverage and financial risk protection (UN 2020). UN states how they want to substantially reduce the number of illnesses and deaths caused by chemicals and water and soil pollution (UN 2020). Additionally, UN stresses the importance of supporting the research and development of vaccines and medicines and in general the medical development to support countries through proper healthcare (UN 2020).

### **Goal 4: Quality education**

As the fourth goal, UN targets to ensure that all girls and boys have access to quality, equitable and free education, early childhood development and general care. Additionally,

UN states how they would like to ensure equal access for men and women to affordable and quality technical, vocational and tertiary education, including universities (UN 2020). UN has the intention of eliminating gender disparities in education and ensure that all youth and substantial proportion of adults achieve literacy and numeracy. UN also focuses on ensuring that learners acquire the skills and knowledge needed to promote sustainable development, which should be done by education and appreciation of cultural diversity (UN 2020). In relation to this, UN wants to upgrade education facilities and provide safe and inclusive learning environments for all. The number of scholarships should be globally expanded and available to develop countries, and the supply of qualified teacher should be increased, especially in less developed countries (UN 2020).

### **Goal 5: Gender equality**

The fifth goal has the intention to achieve gender equality and empower women and girls everywhere. UN wants to end discrimination and eliminate all forms of violence in public and private, including trafficking, forced marriage, female genital mutilation and general exploitation (UN 2020). UN has the intention to recognize and care for unpaid cares and domestic work through the provision of public services, social protection policies and infrastructure. Additionally, UN wants to ensure women's full and effective participation and opportunities for leadership in political, public and economical life and resources in general. UN wants to ensure universal access to sexual and reproductive health and rights (UN 2020). UN focuses on enhancing the use of enabling technology to promote the empowerment of women. Lastly it is a target to adopt and strengthen sound policies and enforceable legislation for the promotion of equality (UN 2020).

### **Goal 6: Clean water and sanitation**

The sixth goal is to ensure availability and sustainable management of water and sanitation for all. UN wants to achieve safe and equitable access to drinking water, and in addition it should be affordable for all. UN focuses on hygiene on a high lever and to end open defecation with a special focus on women and girls and people in vulnerable situations (UN 2020).

UN focuses on improving water quality by reducing pollution, minimize release of hazardous chemicals and eliminate dumping these. The target is halving the proportion of untreated

wastewater and substantially increase recycling and reuse on a global level (UN 2020). Another focus is to increase water-use efficiency across sector and ensure sustainable solutions in terms of withdrawals and supply of freshwater to address water scarcity and people suffering from this.

UN wants to implement integrated water resources and protect and restore water-related ecosystems, including forests, wetlands, rivers and mountains (UN 2020). In addition, UN has the intention of expanding cooperation and capacity-building support to develop countries and this should be done internationally. Lastly, UN wants to support and strengthen the participation of local communities in improving water management (UN 2020).

### **Goal 7: Affordable and clean energy**

The seventh goal is to ensure access to affordable, reliable and sustainable energy for all people (UN 2020). UN wants to increase substantially the share of renewable energy globally. They want to double the global rate of improvement in energy efficiency (UN 2020). UN focuses on enhancing international cooperation to facilitate access to clean water and renewable energy, including research and technology. They want to promote investment in energy infrastructure and clean energy technology (UN 2020). In relation to infrastructure, UN wants to expand and upgrade technology in regards to this in order to supply modern and sustainable energy services. This is with a special focus on lesser developed countries, smaller islands and land-locked countries (UN 2020).

### **Goal 8: Decent work and economic growth**

The eighth goal has the focus on promoting sustained, inclusive and sustainable economic growth and produce decent employment and work opportunities for people globally (UN 2020).

UN wants to achieve higher levels of economic productivity through diversification, upgrading of technology and general innovation. They want to promote development-oriented policies to support productive activities, job creation, entrepreneurship and to encourage the formalization and growth of smaller enterprises (UN 2020). UN has a focus on improving global resource efficiency in consumption and production, and this should be done with developed countries taking the lead. They want to substantially reduce the proportion of youth in employment, education and training (UN 2020). In addition, UN



has a high focus on taking measures to eradicate forced labour, modern slavery and human trafficking, including recruitment of child soldiers. They want to protect labour rights and to promote safe working environment for all workers, including migrant workers and with a special focus on women (UN 2020).

Furthermore, UN wants to devise and implement policies to promote sustainable tourism that has the intention of creating more jobs and promote local culture and production. There is a focus on strengthening the capacity of domestic financial institutions in order to encourage and expand people's access to banking, insurance and financial services in general (UN 2020).

UN wants to increase their support for Aid for Trade to support lesser developed countries.

Lastly, UN wants to develop and operationalize a global strategy for youth employment and integrate the Global Jobs Pact of the International Labour Organization (UN 2020).

### **Goal 9: Industry, innovation and infrastructure**

The ninth goal focuses on building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (UN 2020). The intention is to develop quality, reliable, sustainable and resilient infrastructure in order to support economic development. This should hold a special focus on affordable and equitable access for all people (UN 2020). UN wants to promote inclusive and sustainable industrialization and thereby raise the industry's share of employment (UN 2020). The ninth goal has the agenda to increase the access of smaller scale industrials and enterprises to financial service (UN 2020). In addition, UN wants to upgrade the retrofit industries and the infrastructure and make them more sustainable and increase the use of resources. There should be a greater adoption of environmentally sound and clean processes within technology and industrial solutions (UN 2020). UN wants to enhance scientific research and upgrade the technological capabilities of industrial sectors globally and encourage innovation and increase researches and development (UN 2020). Furthermore, UN wants to facilitate sustainable and resilient infrastructure development in developing countries in regards to technology, finances and technical support. This should be for African countries and in general lesser developed countries. UN also wants to support domestic technology development, research and innovation by ensuring a conducive policy environment (UN 2020). Lastly, UN has a focus on increasing access to information and communicative technology and additionally strive to

provide universal and affordable access to the Internet with a special focus on lesser developed countries (UN 2020).

### **Goal 10: Reduced inequality**

The tenth goal has the intention of reducing inequality within and among countries and achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average (UN 2020). UN focuses on empowering and promoting the economic, political and social inclusion of all without discrimination (UN 2020). They want to ensure equal opportunity and reduce inequalities of outcome and promote appropriate legislation, policies and actions related to this. UN wants to adopt policies with a special focus on fiscal, wage and social protection policies and reach a greater level of equality (UN 2020). . In addition, UN has the intention of improving regulation and monitor global financial markets and institutions and strengthen the implementation of regulation in this regard. They also want to enhance the representation for developing countries in decision-making in international economic and financial institutions to improve the credibility and accountability (UN 2020). Furthermore, UN wants to facilitate safe and regular migration and mobility of people with a special focus on the implementation of planned and well-manage migration policies. They want to implement the principle of differential treatment for developing countries, in particular lesser developed countries, and this should be done in accordance with World Trade Organisation agreements (UN 2020). UN wants to encourage development assistant to create a financial flow to states where it is needed, African countries and smaller islands, and there should be a focus on foreign direct investments in these cases (UN 2020). Lastly, UN wants to reduce to less than 3 percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 percent (UN 2020).

### **Goal 11: Sustainable cities and communities**

The eleventh goal is to make cities and human settlements inclusive, safe, resilient and sustainable and in addition ensure access for all to safe and affordable housing and general services in relation to this (UN 2020). UN wants to provide access to sustainable transport systems and improve road safety notably by expanding public transport. They have a special

focus on helping those in vulnerable situations, such as women, children and elderly (UN 2020).

UN has the intention of enhancing inclusive and sustainable urbanization and capacity for participatory and management in countries on a global level (UN 2020). They want to strengthen the effort of protecting the world's cultural and natural heritage (UN 2020). They also want to significantly reduce the number of deaths and the number of people affected in general, and they want to substantially decrease the direct economic losses relative to global gross domestic product caused by disasters (UN 2020). UN wants to reduce the adverse per capita environmental impact of cities with special attention on air quality and municipal and other waste management. Furthermore, they want to provide universal access to inclusive and safe green and public places. They want to support positive economic and social links between urban, peri-urban and rural areas by strengthening national and regional development planning (UN 2020). UN wants to substantially increase the number of cities and human settlements adopting and implementing integrated policies, adapt into climate changes, efficient resources and in general increase the level of disaster risks (UN 2020). Lastly, UN wants to support lesser developed countries in building sustainable and resilient buildings utilizing local materials with a special focus on financial and technical assistance (UN 2020).

### **Goal 12: Responsible consumption and production**

Goal number twelve focuses on ensuring sustainable consumption and production patterns by implementing a 10-year framework of programmes with developed countries as the lead (UN 2020). UN wants to achieve sustainable management and efficient use of natural resources and in addition halve global food waste including post-harvest losses. UN also wants to achieve the environmentally sound management of chemicals and all wastes throughout their life cycle and reduce the release to air, water and soil to minimize the adverse impacts on humans and the environment (UN 2020). UN focuses on encouraging companies to adopt sustainable practices and integrate sustainability information into their reporting cycle (UN 2020). They want to promote sustainable public procurement practices, and this should be done in accordance with national policies. UN wants to ensure people globally receiving the right information for living a sustainable lifestyle. Furthermore, UN wants to support developing countries in order to strengthen their scientific and technological capacity and to

move towards a more sustainable pattern of production and consumption (UN 2020). Lastly, UN wants to rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions to reflect their environmental impacts. This should be done in accordance with national circumstances (UN 2020).

### **Goal 13: Climate action**

Goal number thirteen focuses on taking urgent action to combat climate change and its impact and strengthen resilience and adaptive capacity to climate-related hazards and natural disasters (UN 2020). UN wants to integrate climate change measures into policies, strategies and plans on a national level. The goal focuses on improving education, raising awareness and institutional capacity on climate change mitigation, impact reduction, adaptation and early warnings (UN 2020). Furthermore, UN wants to implement the commitment undertaken by more developed countries to the UN Framework Convention on Climate Change, which is to mobilize \$100 billion annually from all sources. Lastly, UN wants to promote mechanisms for raising capacity for effective climate change issues in regards to managing and planning on an effective level. This is with a special focus on lesser developed countries, smaller islands and with women and children in consideration (UN 2020).

### **Goal 14: Life below water**

Goal number fourteen has the intention to conserve and sustainably use the oceans, marine resources and seas for development. UN wants to prevent and significantly reduce marine pollution, especially from land-based activities. They want to manage and protect marine and coastal ecosystems to avoid adverse impacts and take action for their restoration in order to achieve healthy and productive oceans (UN 2020).

In addition, UN wants to minimize and address the impact of ocean acidification and effectively regulate harvesting and end overfishing, illegal and unreported fishing and in general destructive fishing practices (UN 2020).

Furthermore, UN wants to conserve at least 10 percent of marine and coastal areas in alignment with national and international law. UN also wants to prohibit certain forms of fisheries subsidies which contribute to overfishing and eliminate subsidies that contribute to illegal actions within fishing, such as unreporting and unregulating (UN 2020). In addition, UN wants to increase the economic benefits to smaller islands and lesser developed states

form the sustainable use of marine resources. They want to increase scientific knowledge and develop research capacity in order to improve ocean health. This should be done in accordance to the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology (UN 2020). Lastly, UN wants to provide access for smaller artisanal fishers to marine resources and enhance the conservation and use of oceans by implementing international law (UN 2020).

### **Goal 15: Life on land**

Goal number fifteen has the intention of protecting, restoring and promoting sustainable use of terrestrial ecosystems, sustainable management of forests, combating desertification and halting and reversing land degradation and halt biodiversity loss (UN 2020). UN wants to ensure the conservation, restoration and use of terrestrial and inland freshwater ecosystems in alignment with international agreements (UN 2020). They want to promote the implementation of sustainable management of forests, including restoring degraded forests and increase afforestation on a global level. UN focuses on combating desertification and restore land and soil, and they strive to achieve a land degradation-neutral world (UN 2020). In addition, they want to ensure the conservation of mountain ecosystems in order to enhance their capacity and provide benefits that are important for sustainable development. UN takes action to reduce the degradation of natural habitats, and they want to protect biodiversity and prevent extinction of threatened species (UN 2020).

Furthermore, UN promotes fair sharing of benefits in relation to resources on an international level. They take action to end trafficking of protected species of flora and fauna and aims to end the supply of illegal wildlife products (UN 2020). UN introduces measures to prevent the introduction and to reduce the impact of invasive alien species on land and water ecosystems. They want to integrate ecosystems and biodiversity values in national and local planning in order to develop processes and reduce poverty (UN 2020). Furthermore, UN wants to mobilize and increase financial resources to conserve and properly use biodiversity and ecosystems. Lastly, they want to enhance global support for efforts to focus on combating poaching and trafficking of protected species (UN 2020).

### **Goal 16: Peace and justice strong institutions**

Goal number sixteen focuses on promoting peaceful and inclusive societies for sustainable development, provide access to justice for all and build accountable and effective institutions at all levels (UN 2020). UN wants to reduce all forms of violence and death related to this issue, and they want to end abuse, exploitation and trafficking with a special focus on children. In addition, UN wants to promote the law at national and international levels in order to ensure justice for all people (UN 2020).

UN wants to reduce illicit financial flows to strengthen the recovery of stolen assets, and this should be done as a way to combat all forms of organized crimes and reduce corruption and bribery. They want to develop accountable and transparent institutions and ensure responsive and participatory decision-making at all levels (UN 2020). Furthermore, UN wants to broaden and strengthen the participation of developing countries. They want to provide legal identity for all. UN has the intention of ensuring public access to information and protect fundamental rights to freedom, which should be done in accordance to national and international legislation and agreements (UN 2020). Lastly, UN wants to strengthen relevant institutions at national level to build capacity at all levels, which should be done to prevent violence and combat terrorism and crimes. They want to promote laws and policies against discrimination and for a sustainable development (UN 2020).

### **Goal 17: Partnerships to achieve the goal**

The last goal focuses on strengthening the means of implementation and revitalize the global partnership for a sustainable development (UN 2020). UN has divided this goal into five sections concerning finance, technology, capacity building, trade and systemic issues.

In the section of finance, UN wants to strengthen domestic resource mobilization to improve capacity for tax and revenue collection. They want the developed countries to implement their official assistance commitment and mobilize additional financial resources from multiple sources. UN wants to assist developing countries in attaining long-term debt through coordinated policies in order to foster debt financing, relief and restructuring. Lastly, this section focuses on adopting and implementing promotion regimes for lesser developed countries (UN 2020).

In the section of technology, UN wants to enhance North-South, South-South and triangular regional and international cooperations and create access to science, technology and innovation. They want to promote the development, transfer, dissemination and diffusion of

environmentally sound technologies in order to develop countries on including terms. In addition, they want to operationalize the technology bank and science and innovation in general to enhance the use of enabling technology (UN 2020).

In the section of capacity building, UN focuses on enhancing international support for implementing effective and targeted capacity-building in more developed countries, and this should be done to support and implement national plans (UN 2020).

In the section of trade, UN wants to promote a universal and nondiscriminatory trading system in alignment with World Trade Organisation and significantly increase the export of developing countries to lesser developed countries. They want to implement duty-free and quota-free market access for lesser developed countries and contribute to facilitating market access (UN 2020).

The last section about systemic issues focuses on enhancing global macroeconomic stability and policy coherence for sustainable development (UN 2020). They want there to be a mutual respect for other countries' policy and leadership and they want to enhance the global partnership for sustainable development to support achievement of the development. UN wants to promote effective public, public-private and civil society partnerships and build on the experience and the partnership (UN 2020) Lastly, UN wants to enhance the support of developed countries by build capacity and they want to build on already existing initiatives to develop measurements of progress on sustainable development in order to complement gross domestic products (Source).

## **2.2. UNGC - United Nations Global Compact**

United Nations Global Compact is the world's largest corporate sustainability initiative, an organization consisting of 10,409 companies spread over 173 countries (UNGlobalCompact 2020). UNGC has the following slogan stated on their website: "Uniting business for a better world" (UNGlobalCompact 2020). Their mission is described as aiming to mobilize a global movement of sustainable organizations and stakeholders in order to create the world that is desired (UNGlobalCompact 2020). They enhance two focal points as what the Un Global Compact supports companies to do:

1. "Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and" (UNGlobalCompact 2020).
2. "Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation" (UNGlobalCompact 2020)

UNGC has developed 10 principles as their value system and their foundation for their work. They believe that businesses can rely on these principles to uphold their societal and lawful responsibilities towards the planet and simultaneously receive their strategic goal and gain success (UNGlobalCompact 2020).

UNGC state how their ten principles are derived from the following: "the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption" (UNGlobalCompact 2020). They have divided their principles into four categories: human rights, labour, environment and anti-corruption. Under the category of human rights, the following goals appear: "Businesses should support and respect the protection of internationally proclaimed human rights" (UNGlobalCompact 2020) and "Make sure that they are not complicit in human rights abuses" (UNGlobalCompact 2020).

In the category of labour, the following principles are stated: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation" (UNGlobalCompact 2020).

In the category of environment, the following principles are stated: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies" (UNGlobalCompact 2020).

In the last category of anti-corruption, UNGC states the following: "Businesses should work against corruption in all its forms, including extortion and bribery" (UNGlobalCompact



2020).

The ten principles of UNGC should provide principles-based approach to operating in businesses. UNGC wants companies to at the least operate in a way that meets fundamental responsibilities in their four stated areas. They enhance the importance for businesses to have a responsible and equal presence in every area of their business and not neglect any area. UNGC believes that integrating their ten principles into each company will establish a culture of high integrity and additionally it will provide long-term success for the business (UNGlobalCompact 2020).

### **3.2. UNGC's partnerships**

As mentioned above, UNGC consists of over 10,000 members who would be considered partners in the large organisation. Each company in the different countries contributes to UNGC and their forces in one way or another. In addition, it was mentioned how UNGC principles are derived from several declarations and fundamental rights and principles, however, this section should elaborate which investors, stock exchanges, municipalities and business schools who also contributes to UNGC and are highly valued partners (UNGlobalCompact 2020).

To ensure the commitment from UNGC's members, the members must submit an annual Communication on Progress report, also referred to as CoP. UNGC takes into account how their members are at a variety of stages in their sustainability journeys, and therefore there is a flexibility in terms of the CoPs. However, UNGC presents three minimum requirements, which are stated in the following:

1. "A statement by the Chief Executive expressing continued support for the UN Global Compact and renewing the participant's ongoing commitment to the initiative" (UNGlobalCompact 2020).

2. “A description of practical actions the company has taken or plans to take to implement the Ten Principles in each of the four areas (human rights, labour, environment, anti-corruption)” (UNGlobalCompact 2020).
3. “A measurement of outcomes” (UNGlobalCompact 2020).

UNGC has a programme referred to as The Global Compact Cities Programme which main purpose is to promote and adopt the UNGC’s ten principles by cities and provide a framework in order to translate and integrate the principles into day-to-day management and urban governance s (UNGlobalCompact 2020). Up to 80 cities are involved in this project, and the programme has an international secretariat based at RMIT University in Melbourne, Australia. The programme focuses on collaboration between all levels of businesses in society and the government. They want to enhance the importance of focusing on sustainability, diversity, adaptation and resilience within cities (UNGlobalCompact 2020).

Another initiative is the Principles for Responsible Investment, PRI, which is a network of international investors working together to promote the six Principles for Responsible Investment and transfer it into practices (UNGlobalCompact 2020). It is devised by the investment community. The PRI believes that social, governance and environmental issues can affect the performance of investors in order to fulfill their fiduciary duty. Signatories have contributed to developing a more sustainable global financial system and the PRI provide a framework for investors to incorporate ESG issues into their operations and practices (UNGlobalCompact 2020).

The Principles for Responsible Management Education, PRME, is a sponsored initiative with the purpose of inspiring and champion responsible management education and leadership on a global level. The PRME are highly inspired by internationally accepted values and the initiative should provide an engagement structure for academic institutions. The initiative wishes to establish a process of continuous improvement in institutions in regards of management education with the purpose of developing a new generation of business leaders. The new generation of leaders should be capable of managing the more complex challenges faced by business and society wise in the 21st century (UNGlobalCompact 2020).

Lastly, the Sustainable Stock Exchanges, SSE, is a peer-to-peer platform created to explore how exchanges can enhance transparency within the company and performance in regards to ESG issues. It should support sustainable investments and it currently counts 16 partner exchanges on a global level (UNGlobaCompact 2020).

### **3.3. Nestlé's CSR profile**

#### **CSV report 2011**

The CSV report from 2011 is 295 pages long and consists of seven sections: “Creating Shared Value”, “Water”, “Environmental Sustainability”, “Compliance” and “Our People”. The report describes how Nestlé created shared value the given year. The CSV reports is a report for society, stakeholders and shareholders. Creating shared value at Nestlé is the first part of the CSV report from 2011 and consists of 17 categories describing Nestlé's commitments. This category starts off by providing an overview of the organization, describing parts of their history and how they work in society. They describe CSV as a holistic and sustainable approach to business, addressing the needs of society while also meeting the needs of shareholders. Hereafter, their focus on “Nutrition” is described in eighteen points followed by “Rural development” covered over thirty points. Points going into depth with the actions and intentions of the organization. The next commitment in the CSV report is “Water”. “Water” covers twenty-three points in the CSV report. All points describe the organizations focus points they have chosen to engage in, and which makes most sense to the organization to support in order to minimize their footprint from the organization. The following is “Environmental sustainability” covered in twenty-nine points. Throughout the twenty-nine points, the organizations' footprint is analysed and described and how they wish to minimize it. This is also one of the longest sections in the report and one of their main priorities. The second last category is “Compliance”. This category is covered in twelve points and is a more political orientation from the organizations side. The last and final category in this report is “Our People” and are covered in twenty-five points, describing how Nestlé looks after the people who looks after the organization to show their appreciation and help where it is needed. This is done in form of human rights, providing their employees

with better degrees and making sure stakeholders know the responsibilities of the organization.

### **CSV report 2012**

The CSV report from 2011 is very similar almost completely to the report from 2012. The 2012 report consists of nine categories where Nestlé thoroughly describes the organization's initiative to create shared value and minimize their footprint on the organizations resources of the world. The nine categories are; "What is CSV", "How we implement CSV", "Nutrition", "Water", "Rural development", "Responsible Sourcing", "Environmental sustainability", "Human Rights" and "Compliance" and "Our People". The first category of the CSV report from 2012 is "What is CSV". Nestlé describes this in nine sections and starts off with a message from the Chairman and CEO of Nestlé. Hereafter, the organization explains their commitment to shared value as well as the key performances of the organization. The next section is how they implement CSV and is described in six categories. All from Governance, measuring progress, stakeholder engagement, Public Policy and engagement, Partnerships and industry alliances and Nestlé's prize in creating shared value. The CSV reports is written and conducted for shareholders and stakeholder of the organization to follow their initiatives and progresses and to get a deeper knowledge on the organization. In the next section starts one of Nestlé's main initiatives and main fields of what they wish to help make a change. A cause very close to the organization and matches the organization and its production well. "Nutrition" is described in eight points. Consisting of what Nestlé has and intends to do, they also show their research and development in the areas and how they believe they can make an impact. Due to Nestlé being a food supplier company, they have a lot of knowledge on the subject to pass on, which clearly can be seen in this section of the report. The next section is "Water" and is set up by eight sections similarly to the previous section of "Nutrition". Here Nestlé starts off by describing highlights and challenges of this section and how they manage this issue and why they have chosen it as one of their key issues. It is also described how the organization intend to make a difference. "Rural development" is set up by six categories set up as the previous "Water" and "Nutrition" sections of highlights and challenges in the beginning. Afterwards, Nestlé describes how they wish to help the rural areas where the organization has an impact and make a footprint, leaving no one behind. The organization

wishes to ensure that they help the people helping the organization thrive. Next part is “Responsible Sourcing”, covered by nine categories. This as well is started off by Highlights and challenges. Here, Nestlé describes how they take responsibility for their footprint of their products and how they wish to engage in the situation. This is a big part of describing where their products are collected from. The organization wish to give back to the locations where their resources are gathered, to help these areas in thriving around the organization and to be sure that their products comes from places where the welfare is of top quality both in products and animal welfare. The next section is “Environmental sustainability” explained in thirteen categories. As the other key issues Nestlé starts off with a highlight and challenge section, and Nestlé describes how they minimize their footprint on the world in form of products, biodiversity, waste and recovery and climate change. The second last section of the CSV report from 2012 is “Human Rights and Compliance”. Explained by eleven categories. Starting off with the challenges and highlights the organization had in this area. These categories describe Nestlé’s engagement in human rights, child labour and their responsibility in what the organization do as well as making sure the safety and quality of the products and initiatives taken followed by their Global principles. The last section is “Our people”, which is explained in nine categories. The last section does as the previous start of with describing the highlights and challenges in the specific area. This section describes how Nestlé is and intend to take care of the people who engage in Nestlé. Both when it concerns within safety and health, workplace wellness, labour relations, employee engagement, development of employees’ career and diversity.

### **CSV report 2013**

The Creating Shared Value Report from 2013 is 402 pages long and is divided into eight sections. This report describes how Nestlé Created Shared Value in 2013. The eight sections are the following: “Nestlé in Society: Creating Shared Value”, “Nutrition”, “Rural Development”, “Responsible Sourcing”, “Water”, “Environmental Sustainability”, “Human Rights and Compliance” and “Our People”. The first part in the CSV report from 2013 is “Nestlé in Society: Creating Shared Value”. This category consists of sixteen categories which starts off with a message from the chairman. This category describes the organizations business principles, summary of their key data, managing their role in society and taking a

closer look to their environmental performance. This report is mainly for shareholders and stakeholders. The first part of the report describes highly their work with governments and public bodies, partnerships and alliances, United Nations Global Compact, and how the organization supports the UNGC as well as their global principles. All describing how Nestlé creates value in society. The next part of the report is one of Nestlé's key activities, "Nutrition". This section is described in eleven categories. Covering what Nestlé has achieved in the area the given year, their commitments to this category and why they engage it in. Here they have different areas within the category of "Nutrition" they are especially engage in, as well as they are researching the subject to advance science and knowledge. All work to result in helping meet nutritional needs to tackle global challenges. The next section is "Rural Development". This section consists of ten categories, as the other sections of Nestlé's key goals it starts of with challenges and highlights of the previous year, 2013. Nestlé engages in rural development to help the areas of where the organization operate to leave no one behind. They wish to help the areas that are an important part of the thriving of their organization, which is both areas, management approach, farmers, workers, prospering communities, partners and so on. The next section is "Responsible Sourcing" which consists of ten categories. Starting off by describing the categories challenges and highlights before going through their responsibility to this section and their commitment to it. This describes how Nestlé take responsibility of the areas to where they receive their products from, to make sure their products come from welfare. The next section is "Water" consisting of ten categories describing the organizations challenges and highlight in this section as well as their key engagement. Here, Nestlé describe why they engage in this particular commitment and how they do it. The next section is "Environmental Sustainability" consisting of fourteen categories. In addition, this category starts of by describing highlights and challenges in this particular section, where they describe the importance of "Environmental Sustainability" and how they as an organization secure and work towards it. This is both when it comes to their work, product packaging, waste and recovery, biodiversity and climate changes. As described in previous reports, the organization wish to minimize their impact and footprint on the planet. The next section is "Human Rights and Compliance", consisting of twelve categories. This section starts off with describing the organizations challenges and highlights throughout the year. This section describes what action the organization takes in "Human Rights and Compliance" when it comes to "anti-corruption, human rights, child labour, product safety

and quality, responsible advertising and marketing plus consumer privacy”. The last section of the CSV report from 2013 is the organizations commitments to “Our People”, which is described over eleven categories. As in previous sections, this section also starts off with a glance of the organizations challenges and highlights in this section. Nestlé is committed to the people around them, both when it comes to their management approach, the Nestlé Academy, keeping people safe at work, supporting workplace wellness, labour relations, diversity, developing talent in form of equal opportunities for everyone, developing talent in form of creating different career opportunities and to get education within the organization and last employee engagement.

### **CSV report 2014**

The CSV report from 2014 consists mainly of the same parts as the previous reports from 2011, 2012 and 2013. It is 284 pages long and consists of seven parts; “Nestlé in Society: Creating Shared Value”, “Nutrition”, “Rural Development”, “Water”, “Environmental Sustainability”, “Human Rights and Compliance” and “Our People”. This report describes what initiatives the organization takes in each commitment. A CSV report is for society, shareholders and stakeholders to show the commitments taken by the organization. The first part of the CSV report is “Nestlé in Society” and how they create shared value, which content exists of a summary of the organization’s performance and a message from the Chairman and CEO. Stakeholder engagement, public policy and advocacy, partnerships and the organizations commitments is also described and covered over nine categories. In the next part of the report, the explanation of key initiatives starts, the first section being “Nutrition”. This section is divided into seven categories consisting of Nestlé’s role in nutrition and how the organization wish to take an active role in key issues of this area. Nestlé wishes to share their education of nutrition to support nutrition and health issues, and inform on how to apply their research in the responsible marketing of Nestlé’s products. “Nutrition” is one of the key issues of Nestlé’s CSV report. The next part of the CSV report from 2014 is “Rural Development” consisting of four categories describing Nestlé’s role in “rural development, the rural development in general, responsible sourcing and Nestlé’s priority in sourcing categories”. As previously, this category also starts of by describing the highlights and challenges of the given year. The following section is “Water”. This section is described in

six categories, “the role of Nestle in water stewardship, water in their operations, public policy engagement, collective action, water treatment and quality, water in their supply chain and community engagement”. These categories all describes the action Nestlé takes in their commitment of the “Water” issue. As the other key sections of goals, the commitment of “Water” is fitting for the company as water is a big part of their operations. The next section of the report from 2014 is “Environmental Sustainability”. This section is described in ten categories. Here, Nestlé describes their commitment in “Environmental Sustainability” and how they reduce their impact where they go. This is both when it comes to “production”, “transport and distribution”, “waste and recovery”, “biodiversity”, “manufacturing”, “packaging and raw materials”. In addition the organization take action to provide climate changing leadership. The organization wishes to reduce their impact on the climate through the organizations work and produce. The second last section of the CSV report is “Human Rights and Compliance” consisting of six categories: “Nestlé’s role in Human Rights and Compliance”, “Compliance”, “Anti-corruption”, “Human Rights”, “Child labour” and “Product Safety and Quality”. The last section is “Our People”. Nestlé wishes to engage in helping providing wellness to the people around Nestlé. This is explained in five categories consisting of Nestlé’s role with “Our People”, “Safety”, “Health and Wellness”, “Labour Relations”, “Diversity and Developing of Talent”. This CSV report is shorter in the description of categories than previous reports but consists highly of the same as previous CSV reports as respectively 2011, 2012 and 2013.

### **CSV report 2015**

As the reports from 2011, 2012, 2013 and 2014, the 2015 CSV report describes how Nestlé created shared value and met their commitments back in 2015. The 2015 report is 351 pages long and structured as the other reports, divided into seven sections: “Nestlé in society and “Creating Shared Value”, “Key Performance Indicators”, “Nutrition”, “Rural Development”, “Water”, “Environmental Sustainability”, “Human Rights” and “Our People”. The report describes Nestlé as the leading nutrition, health and wellness company who are committed to improve people’s quality of life. The CSV report is for stakeholders and can function as an overview of Nestlé’s progress or changes both internal and external of the organization. The first part of the report is the section on “Nestlé in Society: “Creating Shared Value”. This



section consist of eleven categories, describing the CSV report and the organization's performance. As in the previous reports, this start off with a message from the chairman and CEO. This section on "Nestlé in Society" of the report is describing how Nestlé creates shared value from a long-term perspective, what the organization intend to do and what their action is. Besides from this, it describes the organizations materiality, the organizations commitment, business principles and governance, stakeholder engagement, public policy and advocacy, partnerships and collective action and Nestlé's work with the United Nations.

The following section in the CSV report is "Nutrition, Health and Wellness". This section consists of six categories describing Nestlé's work and engagement in "Nutrition, Health and Wellness". This is described through Nestlé's role in this specific section, the research they do, innovative therapies, nutrition education in order to promote healthier habits and choices for people all over the world and responsible marketing. The next section is "Rural Development". "Rural Development" has five categories describing Nestlé's engagement to this section being, "Our role in development and responsible sourcing", "Rural Development", Farmer connect and direct sourcing operations", Responsible sourcing through our procurement" and "Our priority sourcing categories". Nestlé engages in "Rural Development to minimize its footprint in rural areas. The next section is "Water" described by six categories. Nestlé engage in "Water" as one of their key commitments as "Water" is a big part of their resources. The section starts of by Nestlé describing their role in "Water Stewardship", "How they use water in their operations", "Public policy advocacy and collective action", "Water treatment and quality", "Water in Nestlé's supply chain" and "Our engagement to the community". The section following is "Environmental Sustainability", and is one of the sections that take up the most space in the CSV report covering nine categories. Nestlé starts off the section by describing their role in environmental sustainability and how they manage this area as well as describing their commitment through "Raw materials", "Manufacturing", "Packaging", "Transport and Distribution", "Promoting Sustainable Consumption", "Waste and Recovery" and "Providing Climate Change Leadership". Through these categories Nestlé describe their commitment and action taken towards environmental sustainability. The next section is "Human Rights and Compliance". This section is described over seven categories describing Nestlé's role in their commitment to their role in "Human Rights and Compliance", "Child labour", "Anti-corruption and

Privacy”, “Taxation” and “Product safety and Quality”, and describes the organization’s engage to their commitment to make sure human rights are respected and of highest order as in relation to Nestlé’s other commitments. The next part is close to the previous section on “Human Rights and Compliance” and is the section on “Our People”. Here, Nestlé describes their action to take care of the people around Nestlé. This section is described over five categories starting off with Nestlé’s role with their “People”, “Safety”, “Health and Wellness”, “Labour Relations”, “Diversity” and “Developing People”, and Ends with an appendix of the report.

### **CSV report 2016**

The Created Shared Value Report from 2016 has the title “Nestlé in society: Creating Shared Value and meeting our commitments 2017”. The report holds 179 pages covering their CSR-related values and commitments to be met in 2016. The report is divided into eight general section with the under-titles: “Nestlé in society: Creating Shared Value”, “Nutrition, health and wellness”, Rural development”, “Water”, “Environmental sustainability”, “Human rights and compliance”, “Our people” and the last section holding the appendices.

The reports starts off with a brief review over the year of 2016 and afterwards a message from the CEO of Nestlé, Henri Nestlé. The section “Nestlé in society” explains how the company has had a positive impact on society and how it builds on the principles of the concept "Creating Shared Value". It continues to explain why CSV is important for investors and it holds sections dedicated to their stakeholders and key performance indicators. As in the other reports, there is a description of the concept of Created Shared Value and how Nestlé contributes to the world. It is followed by a presentation of the management of Nestlé. Hereafter, Nestlé’s commitments are scrutinized through careful examination and data, under the different categories stated above. The commitments are visually supported in order to illustrate the collected data and relevant information.

The CSV report of 2016 ends with the Bureau Veritas’ Independent Assurance Statement.

### **CSV report 2017**

The Created Shared Value Report from 2017 has the same title as the report from 2016, however, it has an undertitle, which is the following sentence: “Nestlé. Enhancing quality of life and contributing to a healthier future”. The report has 113 pages and it is divided into five main sections with several smaller topics. The five sections are “Nestlé in society”, “Reporting and governance”, “For individuals and families”, “For our communities” and “For the planet”. Before the table of content, there is a recap of how Nestlé has had a positive impact on the planet. After the table of content, there is a message from the CEO, followed by a section dedicated to the concept of CSV, a section dedicated to their partners and afterwards an examination of their commitments.

The section “Nestlé in society” has several under-titles similar to the ones in the CSV report of 2016. It begins with examining the positive contributions Nestlé has impacted the world with and how the company has brands with purpose. The touch upon the global challenges and opportunities the organization is facing and how collaboration is important for a positive impact.

### **CSV progress report 2018**

The Created Shared Value Report from 2018 is a progress report of the year 2018. The full report is not available for the public yet, however, this report will function as an overview as effective as the other reports, but less detailed. The report is 60 pages and it has the undertitle “Nestlé. Enhancing quality of life and contributing to a healthier future”. It starts off with a message from the CEO and similar to the other reports, it has a shorter section dedicated to CSV afterwards. Hereafter, there is an examination of their commitments and goals set to be reached by 2020. At the very end of the report, the intention with the progress report is states, which is the following: “Our 2018 Creating Shared Value progress report provides our shareholders and stakeholders with a summary of our 2018 performance against our commitments”. This is also seen in the other CSV reports from Nestlé.

### **CSV progress report 2019**

The Created Shared Value Report from 2019 is a progress report, as well as the report from 2018. The report is 58 pages and the front page has the following under-title: “Nestlé. Enhancing quality of life and contributing to a healthier future”. The report starts off with a message from the CEO, followed by the an explanation of the concept Created Shared Value

and continues with an examination of the values and commitments of 2019. The reports ends with an Independent assurance statement and an overview over Nestlé's key performance indicators.

### **CSV report 2020 - in process**

The Created Shared Value Report of 2020 is not available, however, Nestlé published a message regarding their 2020 commitments on their website March 26 2018. It is to be enhanced that several of their goals are long-term goals to be reached 10-15 years after stating their commitment, which is why some of the reports are not completed and/or published.

The webpage regarding their 2020 goals has the following title: "Working towards our 2020 commitments" (Nestlé 2020). Nestlé mentions how they launched 1000 new products in 2017, and how they contributed to 41,000 jobs and traineeship opportunities through their programme "Nestlé Needs YOUth" (Nestlé 2020). Additionally, they state how the company has reduced its greenhouse gas emissions the last 10 years by over 30% (Nestlé, 2020). They refer to their Created Shared Value report from 2017, which are examined in our empirical data section and in our analysis.

It is stated how the report is supporting the 17 SDG's and how Nestlé promotes transparency and accountability in its business and its interactions within the communities they operate (Nestlé 2020). Lastly, they state how they proudly report in accordance to the Global Reporting Initiative Standards (Nestlé 2020).

## **4. Theory**

### **4.1. The theory of Organizational Hypocrisy by Nils Gustav Magnus Brunsson**

This theory will be based on Brunsson's book "The organization of Hypocrisy". The first edition of this book was published more than ten years ago. "The present book has a theme which could be described as the opposite: how organizations produce ideology, and how ideology and action can systematically conflict with one another to the benefit of

organizational legitimacy and survival” (Brunsson 2002, vii). However, the chosen book to the theory of our thesis is written on conducted empirical material gathered by Brunsson over ten years. The word “hypocrisy” is often understood as morally suspicious and can be argued to be a word you perceive as negative. However, that is not the case in this book. According to Brunsson “Hypocrisy is seen as a solution rather than a problem, it possesses some moral advantages, and it is often impossible to avoid it” (Brunsson 2002, xi). Hypocrisy is not what organizations strive to achieve, but in some cases it can be difficult to avoid, it can therefore be turned into an advantage if tackled strategically correct by the organization. To explain the title of this theory, Brunsson describe it as talk and action and how the two can differ from one another, this not very unusual phenomenon can be called “organized hypocrisy”. Hypocrisy can in the sense be described as a further action to conflict within the organization (Brunsson 2002, xiii). However, our focus on the theory will be on Brunsson’s part of the theory which focus on Action and Politic and their symbiotic relation. We believe this specific theory is a good fit for this thesis as it consist of the areas we wish to investigate. It provides an outlook into the different aspects of Action and Politic within an organization and provides an understanding and discussion of conclusion in the analysis. The mentioning of talk and action is also benefiting for this thesis as a lot of the empirical material is on CSR from the CSV reports.

## **The Dynamics of Hypocrisy within Action and Politics**

“The distinction that I have made between talk, decisions and actions provides a basis for dealing with hypocrisy, i.e. with inconsistencies between these three factors. In this final chapter a further aspect of hypocrisy will be examined, one that arises from the interaction between the action and political models of organizations” (Brunsson 2002, 194). The dynamics of hypocrisy exists within the actions of talk, intentions and political result. This will be further explained in this section.

*Action Model = Presentation and Intentions model*

*Political Model = Result Model*

This theory consists of two theory models, one Action-oriented and one Political. The action model focuses on external effects “the organization makes something happen, it solves some important problem, or it changes its environment. To be able to do this, it must be an independent unit using instruments appropriate to producing coordinated action; it collects resources, produces consistent goal or ideologies and build structures and processes which favour agreement, control and consistency” (Brunsson 2002, 194-195). The organization specializes in specific parts of requests involving the environment. Management is the ones who engage in talk and decisions to encourage the other part of the organization to take action (Brunsson 2002, 194-195). The political model: The Political model is in vital ways the opposite of the action model. Instead of independence, the organization’s dependence on its environment is emphasized. Instead of having clear boundaries with the environment its borders are vague, or so general as not to distinguish the organization from the environment at all. This, and not because the organization produces action for its environment, is why it can appear valuable. “The organization thrives on generalization rather than specialization; instead of building upon the enthusiasm of a few, it builds on the tolerance of many. Instead of being involved in action, problem-solving and change, the organization handles important issues and addresses difficult or insoluble problems; the organization is involved in administration rather than change. The organization does not influence its environment, but accepts responsibility for it. Goals are important and valuable in themselves, regardless of where they lead; it is the good intentions of the organization that are important” (Brunsson 2002, 195). Similarly, it is important for the organization to appear and to be in full control, not necessarily to influence action but to show the right people are in power in the organization. By having these instruments in power the organization can convince its environment that the organizations management is meeting the commitments and norms by the organization (Brunsson 2002, 195).

The action-model and the Political-model can be used to explain different behaviours at the organization. An organization that are more political has no need to produce a lot of action as they, unlike action which focus more on an area of expertise or an so called niche at the time, whereas the political organization is more broad and work on several ideas and demands simultaneously (Brunsson 2002, 19). However, to understand bigger organizations both models must be applied, not meaning both models are equally relevant or used in

organizations, but they must both be used to create a clear illustration of the organization (Brunsson 2002, 195). Some organizations are more action-oriented and others more political. This can change in different parts of the organization, as “Organizations may have reason to separate politics and action chronologically, situationally, or intra-organizationally. (...). The task of organizational management is often to deal with external contacts, such as financiers, the media and others who represent norms for organizational structures, processes and ideologies. It is thus natural that politics, which concerns this kind of environment, will be more important to management than it is to the individual production departments” (Brunsson 2002, 195-196). Described by this quote is the possibility for an organization to divide politics and action in different categories as chronologically, situationally or intra-organizationally. Applying the political and action-oriented model organizations can show their shareholders and society they are doing their commitments and do good for society and meeting the norms in its environment (Brunsson 2002, 195).

Until now, the theory has described how the two models can be used to explain various factors, and particularly when the two models are used in different situations. However, the two can also be used to explain one single behaviour. Not only do the two models complement each other, the symbiotic relation between the two means that each existence of the other makes it possible for the existence of each other, and that they could not exist by themselves. If the action model is valid, so is the political model and vice versa. The political model, however, explains results whereas the Action model explains intentions (Brunsson 2002, 196). This can be seen in the following quote “The efforts of the actors did not generate consistency, action and influence: rather, they produced inconsistencies, talk and responsibility. The political model explains how these results can arise, and why they do not threaten the existence of the organization but can even provide it with legitimacy and support. Thus, the explanations are concerned with the behaviour of the organization rather than the behaviour of individual actors” (Brunsson 2002, 196-197). The political model of results provide legitimacy in form of results created by the organization, here the results comes from the action of the organization as a whole and not by individual actors.

In that way the models can be equally valid as they describe different aspects of the same behaviour. In that sense, the models complement rather than compete with each other. Often

both models will be found within organizations but one of the models will be more emphasized than the other. However, the two models complement each other within the organization of theory (Brunsson 2002, 197). “The organizational analyst is helped by the action model towards an understanding of the behaviour of individual actors in the organization, and by the political model towards an understanding of why organizations which fail to achieve what the action model prescribes can yet be counted successful” (Brunsson 2002, 197). This statement describes that in some cases it is possible for an organization's actions to still be counted as a success even though it fails or has yet to succeed. According to the theory, the organization can be explained as a state in order of the function of the political model. Brunsson argues “that if the action model is expressed in terms of results it will not be good at generating legitimacy or external support, but it can avoid this negative effect if it is expressed in terms of intentions. Indeed, the way the action model is used as a model of intent suggests that it agrees with most people's ideas about acceptable intentions. (...). The two models of presentation and results become one another's necessary complement” (Brunsson 2002, 197). The political and action-oriented models supplement each other well as the action model is described in terms of intentions whereas the political model is defined through results. The two models is thereby a form of symbiotic relation, and the existence of one defines the existence of the other.

### **Same Instruments – Different Meanings**

Besides from the two models complementing each other they also are quite similar in some cases. What is important to one of the models are meaningful in the making of the other (Brunsson 2002, 197-198). The results of the political model is meaningful in form of the intentions of action. For example, “according to the action model control is important as a way of coordinating action; in the political model control is linked to responsibility: by displaying and dramatizing the leaders' influence or control, responsibility is engendered” (Brunsson 2002, 198). Brunsson explains how the ideologies of organizations often is set up to present that organizations not caring for themselves but care solely for others and for society. This is registered by the organization's actions. However, in the political model the results of the organization's action are what creates results and legitimacy (Brunsson 2002, 198).



## **Rationality as illusion**

“Rationality is a useful attribute of presentation models” (Brunsson 2002, 198). This section on rationality Explains how the model of rationality contains statements of the relation between ideas and action. The assumptions on rationality works highly well when using the action model as the presentation model meanwhile producing political results. A concern towards instrumentality is that management talk only exist in order to influence action. This makes it possible for management to create and engage in talk and choices to proclaim themselves as action oriented, and to be noticed as so, by others (Brunsson 2002, 198). It is important to understand and acknowledge the rational assumption of hierarchy and control and the link of importance to action hereof. Management’s legitimacy can be projected onto these conditions of ‘Action’. “There are three conditions which make it particularly important to assert the myth of control when presenting the organization to the outside world: first, when it is difficult to gain external acceptance for actions, and their legitimacy thus needs reinforcing; second, when management enjoys greater legitimacy than the suborganization carrying out the action, so that a stronger link between management and action increases the legitimacy of the action; third, when management’s control over an action is not obvious to an outsider observer, as may often be the case is management’s talk and decisions frequently contradict organizational action” (Brunsson 2002, 199). These three conditions are often conditions organizations faces regarding changeable norms when conducting politics (Brunsson 2002, 199). These three conditions describes the in some cases happenings as a result of actions and politics together.

## **Strategy for Failure**

“There are thus big differences between the action model and the political model, between presented intentions and results. Whenever the action model is being used to describe intentions while results would best be described by the political model, the organization is bound to appear to have failed in various important ways. The political model is a kind of failure in the categories of the action model. The consistency between talk decisions and actions which the organization claim to desire is not being achieved; management’s influence is circumscribed, and the organization has little ability to act. The discrepancy between presentation and results may explain why people are often disconnected with the way the

organization and its leadership works, even in organizations which are successful in terms of profitability and prosperity” (Brunsson 2002, 200-201). In this quote Brunsson argues, that even though organizational leaders convince their environment about their action and how they engage it can be difficult to perceive whether the action of intention really are being achieved. It is more likely that organization fails in taking the action compared to influencing. In that way, organizational leaders will easier appear responsible than they will appear successful. Leaders and management must take responsibility for the organizations action if it is to be considered successful as well as the action to some point should create political results (Brunsson 2002, 201). A second level of hypocrisy is when organizations is claiming one thing while achieving another. This is something neither stakeholders nor consumers will be pleasant about (Brunsson 2002, 200-201). This is also what can be described as organization’s not acting upon their words.

Brunsson here explains what action the organizations should take when this form of situation occurs. “The methods for handling this inconsistency of the second degree are somewhat similar to those which we have already analysed above. Certain features of the politically oriented organizations can also increase the tolerance of failure. The main strategy is to meet the failure by ‘more of the same’, by acting as before but more so” (Brunsson 2002, 202). When it comes to failure it is important the organizations make it look as they have full control over the situation. It is also important that the failure not seemed inevitable or planned, but as a temporary situation that the organization has full control over. Another way to tackle failure strategically is the production of more political performance in form of results (Brunsson 2002, 202). By creating more political performance in form of results the attention from the results not achieved is more easy to be hidden. Here, it is also possible for leaders of the organization to involve their good intentions by “blaming the failure on problems in implementation – on practical obstacles and perhaps an unwieldy or intractable organization, or on the difficulty of getting the support of oppositional groups outside the organization” (Brunsson 2002, 202). Another solution or way to engage is for the organization to associate with external critics. Here, the focus must lie on obvious weaknesses to show the organizations concern and awareness to the problem. Brunsson ends by stating organizations who engage deeply in politics often is full of promises but unsuccessful (Brunsson 2002, 202). In this particular case the organization probably will not

look too bad as it would be difficult to find others who had solved similar problems when it comes to organizations. So, to solve this second dimension of hypocrisy, Brunsson argues the solution is to produce even more hypocrisy, to some degree (Brunsson 2002, 203). Here, “to display the action model while behaving politically” (Brunsson 2002, 203).

## **Organizational Reform**

“A common answer to criticism is to promise organizational reform” (Brunsson 2002, 203). This quote states that when an organization is met with criticism towards their business model or their action a common answer is to promise to reform the organization. When organizations results are not as good as the organization intended it to be, it is regular, according to Brunsson, for leaders or management to blame it on structures and processes. They hereafter seek to improve to better the processes and structures within the organization. The majority of organizations never leave the ‘reform’ state’, in order to always work on improvement, and the same goes when new management takes over at the firm. However, according to Brunsson, reform rarely leads to any big changes at the organizations, which in some cases is what management is intending. “(...) every new American President Since the war has introduced reforms of the administrative apparatus, but the results have been modest and there has never been much real interest in the subject. But by promising reform, by promising to improve in the future, an organization can inspire a little hope even among critics of the present situation: at least the signposts are pointing in the right direction. The reforming zeal results in talk and decisions which compensate for present actions” (Brunsson 2002, 203). This is often aimed at a single part of the organization. When an organization is examined from a single angle of a specific part of the organization, some of the structures and processes will appear unnecessary and provide space to reform this particular angle of the organization. The model of action has provided a good angle or way to criticise organizations and implement reforms (Brunsson 2002, 203-204). Instead of reforming the whole situation at once, it is possible that choosing a department or small part of the organization at the time it will be more clear what parts are necessary and which ones are not. Here, all structures and processes that do not result in efficient action should be removed, in order to leave the organization trimmed and restructured. The following quote describe another reason to why reforming the organization can seem desirable when it comes to Politics and Action

according to Brunsson. “We have seen that in such organizations the leaders easily become distanced from the action. Action is often delegated to other parts of the organization, in other words to the led; the links between the leaders’ talk and decisions and these organizational actions will be weak or non-existent. The leaders will find it difficult to influence the action, and if they do achieve any success in their attempts then the organization’s ability to act may easily be undermined” (Brunsson 2002, 204). Reforming the organization or part(s) of it in the action model, provides leaders the opportunity to directly touch the parts or departments in where they wish to take action. Reforms that should be taken by management or people in the given section and not delegating it to another part of the organization who do not know much about reforming. However, management must be aware of the risk attaching the action model when it comes to reforms as a strategy for failure. The risk lies in the possibility of succession, Brunsson states that if one reform are to succeed it become more difficult to introduce new reforms. However, Brunsson states the highly political firms to have a small risk (Brunsson 2002, 204). “The reason why it is so difficult to implement the action model in practice is that the environmental norms are inconsistent, that the leaders are in conflict with one another and embrace different ideologies, that the organization has to handle insoluble problems, and so on. Furthermore, in such a situation a real change in organizational structures, processes and ideologies, bringing them closer to the action model, would imply a serious threat to the survival of the organization” (Brunsson 2002, 204-205). Brunsson argues how to succeed you must have failed as well, and “good intentions are followed by bad results” (Brunsson 2002, 205). And in order to handle failure successfully you have to fail. “You produce more politics while emphasizing your intended adherence to the action model; and action-oriented reforms must not succeed if the organization is to be able to continue to reflect inconsistencies. Hypocrisy-inconsistency between talk and action, presentation and results – is the source of these paradoxes as well as their solution” (Brunsson 2002, 205). Some organizations make it seem as acting simple in coordinated action, but often act in a more complicated way. These organizational structures, models and behaviours is increasingly becoming more important in modern societies (Brunsson 2002, 205).

## **Organizations in the Real World – Politics and Action**

The two models of theory, here referring to Action and Politic, are very different from one another, but supplement each other well. Organized action consists of coordination, integration and uniformity whereas politics demands dissolution, disintegration, isolation and variety in structures, processes and outputs (Brunsson 2002, 32). “Obviously both descriptive and normative theories about political organization must conflict in fundamental respect with theories about organizing for action” (Brunsson 2002, 32). However, according to Brunsson, to understand an organization completely in modern society one must use both models, as both models are important factors in modern society. Organizations are often a mix of the two theories and no organization agrees completely with one theory over the other, however, institutions or organizations as the national parliament tactic the political theory. An example of an organization using the Action theory would be the following: “A factory in a big corporation management handles most of the factory’s dealings with banks, customers, trade unions and politicians, and corporate management evaluates the factory solely in terms of its ability to produce certain specified products cheaply” (Brunsson 2002, 32). Both examples are examples of units which could be described as daughter businesses. Whereas the mother units generally have a dual basis of both Action and Politics. Both state and municipalities have long experience of using both Action and Politics. Brunsson argues that if organizations were to divide their organizations section or facilities into either political or action, it would be much simpler. It would provide each facility with its own set of structures and processes matching the given type of theory. It would then also be possible to make decisions based on the given theory in order to achieve it as a part of the goal. However, in today's society it is not as simple. If an organization are to choose one over the other, one of them will be mismanaged (Brunsson 2002, 33).

## **4.2. Bluwashing**

The term “Bluwashing” came from the concept of “Greenwashing”, which is defined as the following: "Greenwashing is the practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice” (Sarvahitey 2018). Bluwashing practices in the same manner, however, instead of only

trying to promote the company as an environmental friendly and sustainable business, Bluewashing takes it a step further and focuses on all the values and good intentions stated by UN regarding human rights, environmental concerns, fair and equal conditions on markets, helping less developed countries etc. The NGO Sarvahitey has described the term as follows: "Blue-washing is the human rights equivalent of greenwashing" (Sarvahitey 2018). The colour blue comes from the logo of UN, which naturally gave name to the concept.

Today, a lot of companies associate themselves with the UN and over 10,000 companies are members of the United Nations Global Compact. Naturally, this would show a support of UN and UNGC, their stated SDGs, principles, their actions and ambitions. However, the concept arose when it appeared that companies were using the image and reputation of UN to promote their companies; despite of the fact that several of these companies were sued for actions working directly against the UN's SDGs, such as bribery, corruption and child labour. The term has been used in critique of corporate partnerships established under the United Nations Global Compact initiative. Since the association to UN improves the reputation of the company, the company's intentions should be carefully scrutinized and observed (Sarvahitey 2018).

The UNGC has developed ten principles in the categories of human rights, labour, environment and anti-corruption. These principles and the general values of UN would be the main focal points for companies to rely on and adapt into, when stating their public commitment to UN and UNGC. However, this is not granted. Some companies state their support to the SDG's and the ten principles, others integrate them into their CSR programme. Even though several of the values can be integrated in companies' CSR profile and programmes, there is not established a way to identify whether or not companies comply to these demands. There is limited communication and monitoring of the companies, and therefore it becomes very difficult to reveal the true colours of a company.

The greatest concern of the term Bluewashing is that companies who state their commitment and engagement in the programme of UNGC have no pure motives and actually engage on the same levels of companies with no CSR programme. Sarhatitey states the following: "Moreover, these companies hamper the workings of the society, as well as the government

by falsely portraying that they work towards social and environmental causes” (Sarvahitey 2018).

The NGO believes that the companies benefit highly from UN and UNGC by earning goodwill, which will show in the company as an increased profit and positive public acceptance (Sarvahitey 2018). The issue here is the fact that it becomes very tricky, both for consumers, shareholders, investors and other interested parties, to navigate within the companies of UNGC.

Sarvahitey has no doubt about the fact that there needs to be a higher level of control of the companies relying on UN and UNGC. They state the following: "These practices need to be checked, and brought a complete stop to, with much needed due diligence being accorded to these organizations. It should be the collective effort of the State, its agencies, as well as private individuals and organizations to halt and stop these practices in order to bring about effective and actual changes in the society, where marketing is much more simpler than putting the desired efforts towards change” (Sarvahitey 2018).

Besides of the above-mentioned concerns regarding the concept of Bluewashing, companies using the strategy of Bluewashing also affect the companies who actually try to make a difference. The pure intention of some companies might be overlooked or even seem unreliable because of the rising tendency of manipulating the public through the blue marketing approach (Sarvahitey 2018).

## **5. Method**

This section will describe the process of this thesis and how we ended from starting to wonder, to the beginning of the problem statement to conclusion. “A well-documented method is what allows an audience to follow the researcher’s line of thought, allows the reader to replicate and – in doing so – to assess the robustness, the legitimacy of the researcher’s process from data to argument” (Kastberg 2016, 15). This section describes precisely the process of writing this thesis and how the data for this thesis is conducted, and

how it is used in order to answer the research question It is to provide knowledge on how to replicate the method of writing this thesis to get to our conclusion. “The roots of method originated in Greek and meant path or track” (Kastberg 2016, 15). We will describe the process of this thesis also referred to as our research design by explaining it one step at a time. This is to make sure our thoughts of method will be understood for readers, to know how we wrote and collected data to research the phenomenon of this thesis. This will be done through the methodology of this study which will be drawn to other theorists explaining the process we have taken. The Hermeneutical spiral will be used to work as a structure to the thesis from beginning to end and everything in between. Hereafter, the empirical data will be explained as well as the selections and limitations we have taken along the way. Choice of theory will be found in this section as well. In the process of writing and collecting data we have approached the data inductively, as we have analysed a high amount of data on this topic to find a context that can form the basis of a generalization, tendency or theory from what the research has provided us. “This view leads to the conclusion that research methodology should not be something we apply or select so much as something we design out of particular situations and then argue for in our studies” (Kasberg 2002, 14).

In the following, the choices taken in the production of this thesis will be described and illustrated in the Hermeneutical spiral. The data spoke for itself as we have researched our way through it, to get as precise an answer to the problem formulation and research question as possible, as we did not research for a specific answer but let the answer emerge from the data. The data collected and analysed in the two analysis is Creating Shared Value Reports from respectively 2011 to 2019 gathered from Nestlé’s corporate website.

## **5.1. Theory of Science**

This study is written and conducted from a social constructivist point of view, as a science theoretical approach. This study is a research study, where a high amount of data and knowledge has been gathered in order to explain and find a tendency to answer the Research question. To carefully and precisely describe the track of this thesis the Hermeneutical spiral will be used to show the spiraling along the way in a precise template. Here we will explain every step of decisions taken in this project. We believe if this section is followed thoroughly, as a recipe, the same conclusion will be found. However, we wish to clearly state, as this is a



research problem, that another form of research design and collecting of data would possibly change the conclusion to this thesis.

## **5.2. The Hermeneutical Spiral**

Margo Paterson from the University of Queen's in Kingston, Canada, and Joy Higgs from the University of Sydney consider hermeneutics as a research strategy (Paterson and Higgs 2005, 339). As our study is in the hermeneutical field, we believe it fits our thesis. A large part of the process of this thesis and its research design is described highly well by the Hermeneutical spiral and its structure. In the following, the process of our project in the hermeneutical spiral will be explained. It will be set up in the structure as the hermeneutical spiral, but with points so that it gives an overview of the different steps in the process of brainstorming, conducting data and writing this thesis along with a description of explanation of choices. In addition, the choice of spiral instead of the circle will be explained.

The Hermeneutical spiral or circle, describes the process of research. They originate both from hermeneutics and are to some extent the same, however, in this thesis we work through the hermeneutical spiral as it makes most sense to the fundamentals of the methods taken. In this section our work through the spiral will be viewed in points to show a clear image of how each section, method, theory and thought was brought and used into this thesis. In this form of hermeneutic method, you can work out from both a spiral and a circle. This is described through "thus the process of understanding in such a sentence would be better described as a 'hermeneutical spiral' rather than a 'hermeneutical circle'. Here, the term 'spiral' serves as a good descriptor since the process of understanding is neither circular not linear" (Motahari 2007, 106). This thesis' method is not conducted over a circular movement as we do not return to the same understanding of the part as before we started. The spiral view the research form of this thesis and how we got from one point to another. The spiral works well, as we to some point go back to our departure but still move forward as we gain more knowledge. The Hermeneutical spiral is as the name describes a spiral. From the moment of thought in the very soon beginnings of the originations of this project the spiral started to make its first spiralling. In the following the spiral of this thesis will be described and viewed in points of every spiralling through this project. Meaning, that when we started investigating Nestlé, we were not aware that Nestlé did in fact change their CSV reports after engaging with the UN

goals. This made us investigate the occurrences of the organization prior joining the goals, which made us investigate blue washing. This we believe is more a spiralling method of knowledge and investigation than a circle. The following will describe a detailed approach to our research design set up in fourteen points structured in the hermeneutical spiral. The following points is: The Choice of Field, Ontology, Formulation of Problem, Epistemology, Methodology, Our Qualitative Approach, Problem Statement, Sources of Empirical Material, Research Design, Choice of Theory, The choice of UNGC, Re-emerging to the Problem statement, Discussion and Conclusion, The choice of research and design and method and Selections and Limitations, will be explained.


### **1. The Choice of Field**

The origination of this thesis arises from a curiosity in three different fields, Corporate Social Responsibility, Public Relations and Politics. The journey of this thesis was set out with a passion for understanding the relation between Politics and its possible or non-possible effects on organizations Corporate Social Responsibility. In this part of the spiral a lot of brainstorming was carried out. We soon found a high passion and curiosity for the relation between Politics and CSR.

### **2. Ontology**

In the next phase of spiralling is 'ontology'. Ontology describes "what is out there to know" (Kastberg 2020, 6-7). In this point, describing the state of researching. As social constructivist we researched this thesis from an inductive research method and started gathering a lot of material. Different research on the subject was read and organisations and their relation to Politics were investigated. We gathered a massive amount of data and did a lot of reading before moving closer to the field we would be investigating and before choosing the data we would be using for this thesis. This provided with a high amount of knowledge within the different areas of this field. This point will be further described later in the method section.

### **3. Formulation of the Problem**




Spiralling further from ontology and the researching of data, the formulation of problem evolved into: “What is the effect of the 17 Sustainable Goals of UN on how businesses communicate their CSR goals?”

#### **4. Epistemology**

The next phase of spiralling is ‘epistemology’. Epistemology is described as “what and how can we know about it” (Kastberg 2020, 6-7). In this phase we discussed our knowledge on the subject collected in the previous point, and started gathering empirical material on the subject, this goes along with research of sources which will be described further down in the spiral. As we researched different empirical material, we started to research different organization’s as well. Here, we discussed the possibility of best being able to spot a tendency when choosing a specific organization, and the choice landed on Nestlé, the biggest food and beverage company in the world. Here we discussed our thoughts on Nestlé and what we knew before starting our research process, spiralling back to ontology. This phase describes the way we as social constructivists investigates and researches. We learned from the research of the commitments taken by Nestlé that they deeply engage in CSR, but investigating the different reports showed that the commitments did not change specifically after 2015. This was useful in order to state what we knew and how the research process would take from.

#### **5. Methodology**



According to John Dewey, a problem or question of research is basically anything that perplexes and challenges the mind (Kastberg 2016, 8). In describing our research design we as described use the hermeneutical spiral as a way to show our understanding from beginning, to middle, and back to our previous knowledge as it spirals forward. From spiralling from the beginning of brainstorming to Ontology over to Epistemology our research design started to come together. When connecting all the previous facts we conclude our research design to be best described as an “Explanatory research design” also referred to as an “analytical study” (Van Wyk, 10). As we work through the spiral we found that the explanatory research design is what structured our method process. “Design theories deliver functional explanations with a simple and elegant structure explaining generalized solution

components by the related generalized requirements” (Baskerville and Heje 2010, 271). It is said to be two parts of design theories called a design practice theory and an explanatory design theory. An “explanatory research design” leaves room for it to change over time, and make room for further research. To understand cause and effect of the issue or in this case the problem formulation. This occurs when researchers are beginning to understand what they are looking at and trying to create models of cause and effect. The purpose of explanatory research is to increase the understanding of a researcher on a certain subject. It does not provide conclusive results because of the lack of its statistical strength, but it makes the researcher determine the reasoning of occurrences and the explanation hereof (Baskerville and Heje 2010, 275). As this study is a qualitative research it do not have a high statistical data of effect in form of quantitative data. This means that depending on sources and different type of data the answer can differ. When working in an explanatory research design the data for the thesis is often secondary sources which is also what is applied for this thesis.

## **6. Our Qualitative Approach**

In this point in the spiral, the research design for this thesis is getting more precise. It is now clear what kind of research this thesis is written through, and when spiralling backwards the knowledge on data backs up the choice of the qualitative approach. Here we started to plan how we wished to collect our empirical data and how this were to be done. As this thesis should mainly consists of academic material. The last phase of the spiral will more thoroughly describe the problems we met with parts of the data along with limitations. To be able to find the best data for this thesis we discussed the different possibilities. Early on we also rented a lot of different books on the different subjects described in phase one and two and started off with a massive amount of reading to gain a deeper knowledge in the fields. This helped us point in the direction we are in. Also, when deciding on Nestlé for the organization we intended to investigate we decided to research their CSV reports as we believed these reports would provide us with the data we were searching for. The method of this project is carried out through a qualitative approach. This section lies very close to section four as, which we spiralled back to, here we discussed and investigated material, and chose a qualitative method. If choosing other data than used in this project, it would have turned out very differently. As we required the CSV reports, we started to look at what

procedures to take in order to require it which also worked very well with our inductive method. As we investigated the CSV reports further, we started to discuss how to structure the thesis and what theory to apply to present our findings and find the answer to our problem formulation.

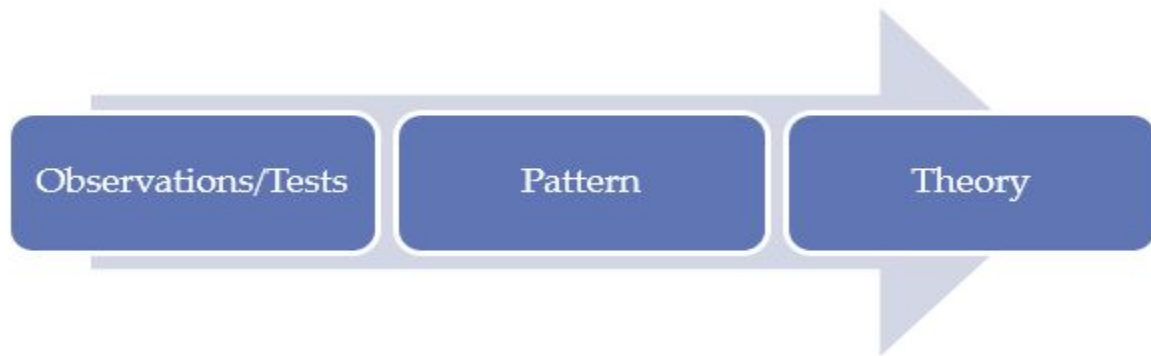
### **Inductive research method**

The research method of the inductive approach or reasoning, as it is also referred to, relies heavily on the studies and observations carried out by the researchers. It is a research process that can also rely on theorists and a stated hypothesis, however, the thesis will be build based on the patterns observed by the researchers. Therefore, the process normally would begin with the thoughts of the researchers and later on develop through the theoretical eyes of the chosen theorist. The development has no limit in terms of related and relevant input, however, it is up to the researcher to recognize what is relevant and valid information for the thesis.

The method forces the researcher to investigate a certain topic or a tendency, which was the case of this thesis regarding Nestlé. It is not possible for the researcher to rely on already published data without adding the connection between the available material in order to enhance the believed tendency. The data itself will have less of a value, if the researcher is not able to add meaning to it by identifying patterns and relations in order to build and enhance the researcher's own theory of a tendency. The thought behind inductive research method is based on learning from experience, which makes it a work method that relies on the researchers more than the more quantitative researchers that would really more on data-based formulations and conclusions. The inductive research method can for instance begin with a chosen topic, and later on the researchers can develop empirical generalizations and ideas in order to identify preliminary relationships as the researcher continues the process (Khan 2014, 225).

Despite of the fact that the inductive method can be adopted to conduct a quantitative research, this was not the case in our particular thesis. Our work process was in alignment with the inductive approach and therefore qualitative, where we relied heavily on a explanatory data analysis. According to professor John W. Creswell, the qualitative research

is the following: "Qualitative research is an inquiry process of understanding based on distinct methodological traditions on inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyses words, reports details of informants, and conducts the study in a natural setting" (Khan 2014, 225).



(Research Methodology 2019).

### **Social constructivism**

The concept of social constructivism relies on the belief that humans create an understanding or a meaning through interaction and communication. Vygotsky defined it as the following: "The central idea of social constructivism is that human learning is constructed and knowledge is constructed through social interaction and is a shared rather than an individual experience" (IGI-Global 2020). According to this, the concept relies on individuals to evolve a common truth, however, it is not relying on one individual alone. One could argue that it requires a certain controlling of a work process to avoid thinking and operating within the concept of social constructivism, since it comes natural to humans to think, evaluate and develop further when constructing and investing, for instance in this thesis.

When looking into the process of writing a thesis, the interaction will naturally appear when engaging with the chosen group members, however, several inputs will be provided to the researcher through empirical data, theory selection and research in general. These inputs will affect the researcher on an individual level and be incorporated into the ideas and thoughts shared with the other group members. This exchange of knowledge and information will provide an on-going brainstorming process throughout the entire thesis.

Based on the idea of working as social constructivists, every choice of content in terms of data, theory, analytical approach and other defining decisions will be affected by the group members own subjective perspective on these points. Therefore, the decisions can vary depending on where the group members are in the process, and the decisions might be continuously evaluated. As social constructivists, the learning process is depended on the work process, in this particular case through the hermeneutical spiral, where the process is highly reliant on the learner's research work and the social context.


According to Vygotsky, human learning is considered constructed and he states that learners will build new knowledge upon the foundation of what the learners have previously learned (IGI-Global 2020). Based on this perspective, one could argue that group members or researchers are affected by an already established database formed by previous studies, conversations and gained knowledge. This approach allows the researcher to add personal value to the work, however, it also leaves room for misunderstandings, misinterpretations and imprecise judging.

## **7. Re-emerging to the Formulation of Problem**


The start of our problem formulation began when we started discussing our focus areas and research interests. As we had decided on the topic area, we started brainstorming and discussing the impact of public relations through CSR and how big organizations branded themselves. This made us investigate the aspect of the political field and the effect Unions as the UNGC and the UN has on organizations like Nestlé's CSV reports in form of communicating their CSR profile. We believed our answer could be found in the CSV reports from Nestlé which is where our collection of data started.

## **8. Sources of Empirical Material**

When gathering the material of sources, we started to do a lot of research on the organization and discovered their joining of UNGC in 2001 and the 17 sustainable goals in 2015. We therefore gathered CSV reports from 2011 to 2019 to have a couple of CSV reports both before and after 2015. We meant to find the annual reports to investigate Nestlé joining the UNGC in 2001, however after being in contact with Nestlé it was not possible to retrieve the reports from before 2002 and therefore not possible to make a comparison. We therefore



decided still to involve UNGC but to do so based on secondary material and the reports we are already used from 2011 to 2019. When deciding on the theory by Nils Gustav Magnus Brunsson we wished to use the most academic source we could find, and chose the book he has written on the theory, 'The Organization of Hypocrisy'.



## **9. Research Design**


From the beginning of this study we have gathered a very high amount of data and researched a lot of different material. This also meant we selected and opted out of a lot of data to find the most relevant. As doing so, the research design started to take form. As studying in the hermeneutical field, the choice of field was easy. After studying in five years we still work from a constructivist approach and the research and how we gathered material was from an inductive approach. This specific type of research can also be called an Explanatory Research Design. This form of research design leaves room for the research to change over time and make room for further research, as this thesis is written on the material, we have conducted one must be aware of the possible changes it can have if other choices were made.



## **10. Choice of Theory**

Nils Gustav Magnus Brunsson was a theoretician whose work we quite quickly became in possession of. His view on the Political and Action oriented models of theory and their symbiotic relation was of big interest and quickly became part of our curiosity for this field. We believe it answers our curiosity towards the subject of Action and Political models within CSR, and whether Nestlé makes a change in their CSV reports after joining the sustainability goals or not. The theory provided us with an explanation of how organizations relation towards 'Politics' and 'Action' is build up according to Brunsson. This made it possible to answer our problem statement as it was possible for us to back up our findings in the research and analysis.

The theory is written over seven sections which will serve as the structure for the second analysis, were the findings in the CSV reports from 2011 to 2019 will be analysed. This theory is chosen out from the believe it would fit well in answering the problem statement for this thesis, as it is written from an Action, Political and corporate social responsibility point of view. The consistent of two theories of both the Action and Political model means that it





contains both perspectives, which we believe makes it relevant for our thesis. He provides several scenarios that provided a well-varied insight into several parts of the organization in this case Nestlé that we chose to investigate. Brunsson explains both relations of the organization from a symbiotic relation between the theories but also from a one-way perspective of the two. The six sections of theory is as followed; an overall outlook into the theory of organizational hypocrisy, The Dynamics of hypocrisy when it comes to Action and Politics, A section describing the different meanings of the instruments, Rationality as illusion, Strategy for Failure, Organizational Reform and the last section of organization in the Real World of Politics and Action.

The second part of our theory section revolves around the concept of “Bluewashing”. The section will elaborate on the concept, the increased focus on the tendency of Bluewashing and whether it is a term one can identify in Nestlé’s commitments and its effects and consequences of it. We chose to include this perspective to enhance the argument of the theory of Brunsson, where he focuses on the two different approaches and intentions from organizations, the action model and the political model. The concept of Bluewashing is considered a newer marketing strategy, and since Brunsson started touching upon the topic of companies promoting themselves in one way and practicing in another, we would like to demonstrate how this concern is still very relevant and happening worldwide through the increased use of Bluewashing.

## **11. Final Formulation of the Problem**

Spiralling back to the previous points in regards to the formulation of the problem, we re-emerge back to the formulation of the problem. After precising it to our findings through this thesis, the final research question is as followed: “How did the UN’s 17 Sustainable Development Goals and the 10 Principles of UNGC affect Nestlé’s communication of their CSR commitments?” As we do not as much investigate the effects of Nestlé adopting the SDGs as how it affected their CSR and how they communicate it, we changed the first research question to a more precise formulation that matches our research and method and the results we present in the conclusion.

## **12. Discussion and conclusion**

As we work through an explanatory research design, and as we got more thorough into the CSV reports and analysed our findings by using Brunsson's theory, we started to be able to explain the occurrences leading to the research question in order to conclude on our formulation of problem, and whether we believed it to be a tendency or not. The ends of an explanatory research design are to be able to explain the problem statement and provide answers to the curiosity that started the spiral. As this is a research design with not any statistical strength or hard quantitative data it leaves room for the researcher to determine how- and why the tendency or problem is happening through secondary sources. As the explanatory research design is an analytical study, it explains the results from this thesis well as it is found through our two analyses.

### **13. The Choice of Research design and Method**

Working through this form of template and method has provided us with the answer to our problem statement which can be found in the conclusion. With the use and carefully description of the points in the steps of research we intended to thoroughly describe how this thesis has been carried out from beginning to end. We intend for this section to work as the track of this thesis or "recipe" to conduct the specific conclusion to this project. It must be clearly stated, as it previously has, that if this specific spiral or research design for the thesis is not used as it is set up in this spiral, then the conclusion to the problem formulation might differ tremendously and be quite different from what this thesis has concluded. We believe the structuring of the hermeneutical spiral through the different phases, provides a clear explanation from beginning to end, helping to understand the choices taken along the way, as well as the ones not taken.

### **14. Selections and Limitations**

In this last section of the spiral, we spiral back to the discussion and conclusion and look at the selections and limitations taken through the process providing the results for the discussion and conclusion. We will explain our selections and limitations through this thesis and the choices we have made on the way.

It is of great importance to stress that the CSV reports is a very big amount of data and specific sections has therefore been chosen, in form of an overall analysis of the reports and

what they enholds. To answer the problem statement, we wish to investigate the political parts and possible differences in the CSV-reports from 2011 to 2019. We wish to investigate whether Nestlé make a change in the political part of their CSV reports in 2015 when the UN 17 development Goals is getting adopted by the organization. Therefore, we have chosen reports from respectively 2011 to find the possible or non-possible changes on a bigger amount of data to follow the possible or non-possible changes thoroughly, to get as precise a result as possible. We believe that the more amount of data we analyse the closer to a concrete and more precise result we will find. The Creating Shared Value reports are a high number of pages of empirical material and we have therefore chosen specific paragraphs to explain Nestlé's commitments. When it emerged that Nestlé did change their CSV reports after 2015 when they adopted and implemented the 17 world goals. Our focus in the CSV reports was therefore to investigate the description and mention of these goals as well as mention the commitments in which Nestlé takes action. The mentioning and description of the collaboration with UNGC will also be investigated.

Another part of data where we have selected and opting out off, is our *theory* by Nils Gustav Magnus Brunsson. We have chosen the selected parts of Brunsson's theory that were relevant for this thesis. The theory has its focus on the Action and Political oriented models of theory from an organizational view. We have chosen this theory as we believe it will work well in answering our problem statement both from an action-oriented as well as political-oriented view. Here we have the possibility also to use the structure from the theory in our analysis and investigate the action Nestlé take and whether the political aspect has an influence on their choices. The theory is written over six sections which is found in the book written by Brunsson bearing the same name as the theory, *The Organization of Hypocrisy*. As it is a very broad theory, we have selected the parts making most sense for this thesis and in order to answer the problem statement, as the theory is written over a book on 235 pages. We are highly aware that Brunsson's theory is connected to public institutions and this thesis is written on an organization as Nestlé, however we believe this theory still to be fitting as we have selected specific sections and taken limitations to make it more precise and fitting for our thesis, as our main interest is to investigate the broader social responsibility of Nestlé and its political impact. We have therefore chosen the descriptive parts of Action and Political orientated models from the book as well as Brunsson's view on crisis strategy. The selection

and seven sections is taken from what made most sense according to the book as well as this thesis. The theory is written from different sections from Brunsson's second book "Organizational Hypocrisy". It must therefore be mentioned, that the first book has not been identified or studied due to this theory, as well as specific sections of the second and chosen book has been selected. It is therefore possible, that if chosen another part of the book different results would have occurred as the focus might have been different. However, the specific parts in Action and Political oriented models was of focus to answer the problem formulation for this thesis. Through Brunsson's outlook on his theory in political and action oriented models he also states that the two models has flaws and that an organization cannot be equally good at both politics and action and he argues the advantages by decoupling the models within the organization. However, even though it is stated that the two theories cannot exist without each other and how they supplement each other so well. However, in a further part of Brunsson's theory this is stated to be a problem as one cannot be good at both politics and action, and they should therefore be decoupled. According to Brunsson to do so, you should follow the terminology of which consists of four ways in which organizations can separate Action from Politics (Brunsson, p. 33). Here he exemplifies four categories of models that work to separate Action and Politics from one another within the organization. The models are Separation in time, separation by topic, separation by Environment and Separation by Organizational Units. Here Brunsson explain the models and how it is possible for an organization it is possible to use more than one of these methods, actually all four of them. These four categories is explained as a further part to the theory of the two models. However, this is another process of his theory to which we have not chosen. Here it is possible to investigate or use the theory from an understanding that the two models should be decoupled so the organization is either political or action oriented entirely, however, we have chosen to look at Brunsson's statements of politics and action within one organization at the same time. It is possible this focus of the theory could have been used as an extended analysis to this thesis. However, in this thesis we use the models as a symbiotic relation to one another in form of one creating action and the other results.

### **Covid-19 limitations**

Due to the tragic situation regarding Covid-19, we as many others faced several challenges and limitations in relation to the pandemic. It is to be stated that any unfortunate issues that may appeared are nothing compared to the consequences the decease had on a global level, and we are very much aware of this. With this in mind, we wish to enhance some of the limitations we experienced during our work process.

Firstly, we would like to refer to the picture below, which illustrates a response from Nestlé's customer service on our request for the company's CSR reports, referred to as their CSV reports. Our request were on their CSV reports from the year of 1999 to the year of 2001. Our interest in these specific reports arose from the idea that Nestlé's CSR profile had changed or adapted to the UNGC's 10 principles in the process before and after their membership. It would be an option to identify certain similarities or differences in the CSV reports and the 10 principles, and therefore it was very unfortunate that these reports were not available. We did choose to include the perspective of UNGC and their influence, however, it is with the noticeable absence of concrete analytical points to be enhanced.

**Case 26544388**

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Hz:ref ]**

Fundet i Indbakke-postkasse



Hello Sarah,

Thanks for your message.

All the information that is available can be found on our home page.  
Please check both the international and national websites for information.  
See for example here <https://www.nestle.com/csv>

Have a good day and good luck with the project!

Kind regards  
Fanni

Nestlé Konsumentkontakt  
[forum@se.nestle.com](mailto:forum@se.nestle.com)  
Telefon: 020-29 93 00



Response from Nestlé's Customer Service Department

As stated previously, we came across the concept of Bluewashing through our analytical findings. In this process, we wanted to investigate the conscious or unconscious process of adapting a company's CSR profile to the moral values of respectively UN and UNGC, however, we faced several challenges in our search for an academic published article. The concept of Bluewashing is not yet acknowledged as an actual theory, but is more examined as a concept, a strategy or a tendency, and therefore the available material was limited. Due to the national lockdown, we were not able to make use of libraries, since they were all closed. Despite of this, we did find an interesting article concerning Bluewashing that we wanted to use as our primary source in our theoretical section. Unfortunately, this was not possible, since the article required a log-in, which would only be made valid when the computer would be located at the given education place, for instance at Aalborg University.

Below there will be a brief presentation of the source and an explanation on why we found the article relevant and at a higher academic level than our chosen one.

1.

[https://www.researchgate.net/publication/267454620\\_Bluewashing\\_the\\_Firm\\_Voluntary\\_Regulations\\_Program\\_Design\\_and\\_Member\\_Compliance\\_with\\_the\\_United Nations\\_Global\\_Compact](https://www.researchgate.net/publication/267454620_Bluewashing_the_Firm_Voluntary_Regulations_Program_Design_and_Member_Compliance_with_the_United_Nations_Global_Compact)

This article touches upon one of the concerns that appeared when working with the concept of Bluewashing, more specifically whether or not the lacking of monitoring and enforcement mechanisms can affect the company's complying of demands and obligations. It focuses on UNGC and how the organisation encourages companies to adopt socially responsible policies and how its program design relies heavily on norms and learning to mitigate shirking. The article examines the effect of the UNGC membership on its members' human rights and environmental performance, since the public improvements by members are more in a superficial dimension than in real practices.

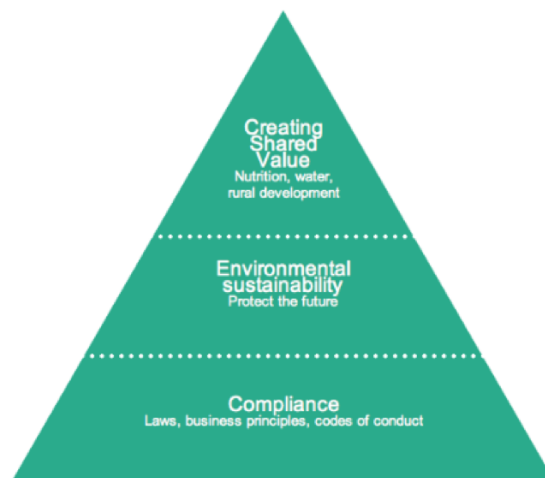
## **6. Analysis**

The following section will be divided into two analyses. The first part will be an examination of Nestlé's CSV reports from the years of 2011 to 2019. This analysis will scrutinize the values, commitments and goals stated by Nestlé and investigate how the UNGC's 10 principles and the UN's SDG's have affected their CSR profiling. The second part of the analysis will rely on the findings in the first analysis and examine Nestlé's stated commitments and goals in order to be able to recognize how the SDG's have had a possible or non-possible effect on Nestlé's CSV report from beyond 2015 were the organization adopted the goals. In this part, we will apply Brunsson's theory on organizational hypocrisy and his view on the political and action oriented models within organizations.

## 6.1 Analysis One

### CSV Report 2011

The first CSV report from Nestlé is from 2011 and clearly shows Nestlé's commitment to sustainability when it comes to "Nutrition", "Water" and "Rural Development". "Good Food, Good life" can be found on all pages of the CSV report. On page four, is a model of a pyramid, which can be seen below.



(CSV, 2011, p. 4).

This model demonstrates Nestlé's outlook on 'Shared Value' and part of the categories from each section. Nestlé states, "In 2006, Nestlé became the first organisation to adopt this approach, but our history of working together with society stems back to our roots. For maximum impact, Nestlé has focused its Creating Shared Value efforts and investments on three areas - nutrition, water and rural development - as these are core to our business activities and vital for our value chain. (...). In addition, we recognize the vital role of our people and the importance of engaging and collaborating with other organisations" (CSV 2011, p. 4). This statement shows the outlook and performance of Nestlé and its CSV politic, and the commitments they take. The choice of commitments of "Water", "Nutrition" and "Rural Development" is areas adjacent to this specific form of organization Nestlé is, as their main produce is nutrition, and main resources are water gathered from rural areas. "Creating shared value (CSV) is a holistic and sustainable approach to business, which addresses the



needs of society, while meeting the needs of shareholders” (CSV 2011, 6). Nestlé has its origins back in 1866 and has always been aware of the impact they have on the surrounding environment. The organisation mentions several times the fact that it is “the first organisation to adopt CSV, this constructive approach to business is now well established at Nestlé. (...). For maximum impact, we have focused our CSV efforts and investments on three areas where we believe there is the greatest opportunity to drive value for our shareholders and society at the same time” (CSV 2011, 6). The three areas were mentioned earlier in the pyramid. The first section in the first part of the pyramid is “Nutrition”. “As the world’s leading nutrition, health and wellness company, we believe that our future lies in helping people to eat a healthier diet. Using our science-based approach, we are helping improve nutrition, addressing deficiency in vitamins and minerals at one end of the spectrum and obesity at the other” (CSV 2011, 7). Nestlé set out to provide not only food that are delicious but healthy as well. To help create awareness to the benefits of a varied and healthy diet, as well as creating knowledge and awareness to this area. The areas Nestlé engage in in “Nutrition” is: “Global R&D”, “Tasty Nutrition”, “Fortification”, “Infant Nutrition”, “For Seniors” and “Education” (CSV, 2011, p. 64). Their aim for nutrition and creating shared value for Nestlé is “ deeper understanding of nutrition and health issues as well as fruitful collaborations with various stakeholders, both informing our innovation and renovation efforts, brand awareness and recognition; consumer loyalty; long term enhanced growth, market share and profitability” (CSV, 2011, p. 65). Nestlé wish to drive consumers to take the healthy choice by nutritional awareness. So as they are producing nutrition they wish to educate society to make a healthy choice and live healthy through their nutrition. Nestlé work to provide knowledge within the field of nutrition. The next part of the first part of the pyramid is “Water”. “Water scarcity is becoming a serious reality in many parts of the world. By making the six elements of the UN Global Compact CEO water Mandate central to our efforts, we are helping to reduce the impact of our water use and promote good water stewardship globally “(CSV 2011, 7). Nestlé acknowledge their success to depend on the water resources that supply their business operations and supporting the livelihoods of suppliers and consumers. Nestlé’s water efforts are centred around the six elements of the UN Global Compact (UNGC) CEO Water mandate (CSV 2011, 146). The elements are: “Public

Policy”, “Partnerships”, “Operations”, “Supply Chain”, “Communities” and “Our Commitments” (CSV 2011, 147).

#### **Our goals**

Our W.A.T.E.R. commitments in water use and stewardship, first announced in 2006, are key to driving water performance through our operations, supply chain and with communities:

- W**ork to achieve water efficiency across our operations  
Leading in water resource management and excelling in the direct reduction of the direct water use in all our facilities.
- A**dvocate for effective water policies and stewardship  
Promoting public policies that place value on water at every level.
- T**reat effectively the water we discharge  
Setting strict targets for returning clean water to the environment.
- E**ngage with suppliers, especially those in agriculture  
Helping to improve their water management with focus on impacts at watershed level.
- R**aise awareness of water access and conservation  
Engaging employees, communities and consumers in the water imperative.

(CSV, 2011, p. 148).

Nestlé’s work with W.A.T.E.R.’s context is to increase shortage of freshwater, impact on food security, increased competition for freshwater, access to safe drinking water, water quality, and bottled water.

The third part of the top of the pyramid is “Rural Development”. “The overall wellbeing of farmers, rural communities, small entrepreneurs and suppliers is intrinsic to the long-term success of our business, yet an estimated 70% of global poverty is concentrated in rural areas. We are working to support rural communities surrounding our operations in building a better future” (CSV 2011, 8). Nestlé respect and aim to help communities and farmers to thrive in rural areas. This is done by responsible sourcing activity. The activities include; Factory Impacts, Farmer impacts, Supply Chain, milk, coffee and cocoa (CSV 2011, 97). This was the last factor in the top of the pyramid.

The middle part of the pyramid consists of one overall point. “Environmental Sustainability: protect the Future”. Nestlé describes this part of their CSV as “we apply a life cycle approach, involving our partners from farmer to consumer, to improve the environmental impacts of our products and activities. At all stages of the cycle, we aim to use natural resources efficiently, promote the use of sustainably managed renewable resources and

achieve zero waste” (CSV 2011, 179). In effort and achievement to do so, Nestlé point out their environmental sustainability is products, climate change, air emissions, energy savings, distribution and packaging. These six points roughly describes the action Nestlé takes to environmental sustainability. Nestlé engage in environmental sustainability for two reasons: Value for Nestlé and value for Society.

- Value for Nestlé: “Continuously improving environmental performance; efficient operations; reduced impacts; natural resource and cost savings; long-term availability of raw materials and water; sustainable, profitable growth” (CSV 2011, 181).
- Value for Society: “Raising environmental standards; higher incomes; better standards of living; improved food security; waste reduction” (CSV 2011, 181).

Nestlé wish to produce their products while being environmentally sustainable. Nestle “aim to delight consumers with tasty, nutritious and healthy food and beverages, while offering products which are made in a responsible way that preserves the environment for future generations” (CSV 2011, 8). The last part of the pyramid is “Compliance”. This part consists of laws, business, principles and codes of conduct. “In Nestlé’s context, compliance means abiding by national laws and relevant conventions. In addition to this, Nestlé has a strong set of values and principles that we apply across all the countries where we operate. Our overriding objective is to ensure that our investments are beneficial both for our shareholders and the countries where we do business” (CSV 2011, 8). The points Nestlé take to compliance is principles where Nestlé actively support the United Nations (UN) Global Compact an UN Millennium Development Goals, including human rights and labour rights. Nestlé’s engagement in UNGC will be further explained and investigated in the discussion of the thesis and explained by the results of our findings. The next point is “Marketing” where they take on consumer communication commitments into their way of doing business and has done so since 1999. The third and last factor in the “Compliance” sector is product safety. Nestle’s focus is to ensure their investments are in favour both for stakeholders, investors and for the people living in the countries where they operate. The last part of the CSV report is

Nestlé's point of "Our People" which touch upon the five points: human rights, internal training, wellness, diversity, safety and health and engagement in improvements.

This was a rough description of the 2011 CSV report from Nestlé. This explains the commitments the organisation takes in order to create shared value describing the priorities they take to society and their products. The report is very adequate and descriptive in relation to their actions. In the first report it mentions the organizations work with UNGC and their relation to the nation, however, in this report the 17 goals of development is not mentioned. which is given as the goals were yet to be developed.

### **CSV Report 2012**

The next report investigated will be the CSV report from **2012** and there is some changes in the report compared to 2011, where Nestlé has taken on more areas to create shared value. "Through our Nestlé in society reporting, we aim to share information transparently about our long-term impact on society and how this is intrinsically linked to the creation of our long-term business success" (CSV 2012, 6). The year of 2012 was the year Nestlé chose to mainly focus on "Nutrition". The other focus areas are "Rural Development" and "Water" which was the case in 2011 as well. In choosing these areas chairman of Nestlé Peter Brabeck-Letmathe states: "We believe we can make an important contribution to society, by going a step beyond corporate social responsibility to create value through our core business both for our shareholders and society. We prioritize the areas of nutrition, water and rural development to create shared value; this requires long term thinking..." (CSV 2012, 8). This statement is followed by another statement by CEO of Nestlé Paul Bulcke "Creating Shared Value is built upon fundamental commitments to society, both to achieve the highest standards of compliance with laws, codes of conduct and our own Nestlé Corporate Business Principles as well as to protect the environment for future generations" (CSV 2012, 8). The organisation compares their prosperity to the communities they serve. Therefore, the organisation has named this CSV report to Nestlé in society: "Creating Shared Value and Meeting Commitments". In this analysis we will research these commitments and initiatives further and make a comparison to the CSV report from 2011. The pyramid is set up as the 2011 report. Same factors, boxes and amount. As in the 2011 report the focus of the CSV report will be the initiatives Nestlé take in order to create shared value. Page fourteen shows a

schedule over Nestlé's "Environmental Sustainability" with four following categories: Topic, How, Progress and Future. The boxes show what initiatives Nestlé take in 2012 and what they wish to take in the future. The first box is on "Improving Resource Efficiency". Nestlé improves through the organisations management system, life cycle Assessment and in their policy on Environmental Sustainability. A progress for the organisation was seen in 2012 were 39 factories was generating zero waste for disposal and their Ecodesign toll roll-out was initiated. The future goal was to reduce energy consumption per tonne of product by 25% vs 2005 and improve the environmental impact of packaging. This is done through Nestlé's policy on environmental sustainability and packaging impact Evaluation Tool also called PIQET. A change was made in 2012 were the reduction of 47.1 kilotonnes of packaging material were saved by weight, as well as 4000 projects and more than 13 000 scenarios evaluated in order to make a change. In the future, Nestlé's goal is to transition to a broader holistic value chain approach using Ecodex, and in addition, 'assess and optimise' the environmental impact of products. This is done through Nestlé's policy on Environmental Sustainability and their New Eco-design tool EcodEX covering the entire value chain. The future goal from 2012 to 2013 is for the company to roll-out of Ecodex to all Product Technology Centres. The fourth point in Nestlé's schema of "Environmental Sustainability" is to provide climate change leadership. This is in progress through Nestlé's policy on Environmental Sustainability commitment on Climate Change and commitment on Forest Stewardship. A progress is seen in how Direct GHG emissions declined with 24% between 2002 and 2012 while production increased with 53%. At the end of 2012 9,3% of direct energy was from renewable sources, better dairy farm practices and the engagement in carbon disclosure Project 2012. The future goal in 2012 is to among other by 2015, reduce GHG emissions per tonne of product by 35% vs 2005 resulting in an absolute reduction of GHG emissions. The fifth point is to preserve natural capital. To do so, the responsible sourcing guidelines on palm oil from 2010 are followed, as well as the Assessment of Factory Locations and Biodiversity from 2011 and the commitment on Deforestation and Forest Stewardship from 2011. In the future the goal is to introduce RSGs for milk, coffee and cocoa and Annual reporting on progress. The last point in the schedule is 'No deforestation'. The organization do not explain how they wish to accomplish this but do describe their progress in doing so. They are providing responsible Sourcing Guidelines for Forest Based materials and are the top food company in "Forest Footprint disclosure Project" in 2012. By 2015 the

company wish to roll-out of further RSGs like milk, coffee and cocoa, and create and provide annual reporting on progress (CSV 2012, 14). These six factors describe and explain Nestlé's procedures and initiatives in Creating Value in "Environmental Sustainability". To point out, Nestlé's focus to "Nutrition", "Water", "Rural Development", "Responsible Sourcing", "Environmental Sustainability", "Human Rights" and "Compliance" and "Our People". The report from 2012 describes the action and goals of Nestlé in order to create social responsibility. "We depend on increasingly constrained natural resources, so we're helping protect the environment now and for future generations-improving environmental efficiency in our own operations and involving our partners to continuously optimise the environmental performance of our products along the value chain" (CSV 2012, 155). "Environmental sustainability means protecting the future by making the right choices in an environment where water is increasingly scarce, natural resources are constrained and biodiversity is declining. All of these elements are vital for feeding a growing world population, and for the development of our company. Moreover, climate change may exacerbate our planet's environmental challenges" (CSV 2012, 155). This statement describes Nestlé's choice in choosing the commitments fitting for their organization. In the next section the CSV report from 2013 will be investigated.

### **CSV Report 2013**

In the CSV report from **2013** the points to where Nestlé works and engage to create shared value is the same as the other two reports; "Nutrition", "Rural Development", "Responsible Sourcing", "Water", "Environmental Sustainability", "Human Rights and Compliance" and "Our People". Except for "Human Rights" being paired with "Compliance". Due to our inclusion in our topic, we will look at Nestlé's focus of commitments and mentioning of politics, more precisely the SDGs. The first part of the CSV reports is "Nutrition" and is one of Nestlé's commitments. As mentioned previously it fits well with the profile and fundamentals of the organisation. "With hundreds of millions of people around the world not having enough to eat and many others consuming too much, we are endeavouring to learn more about the vital role nutrition plays at every stage of life, particularly prior to conception and through the first 1000 days. It is also recognised that nutrition plays a role in reducing the risk of diseases, allergies and obesity, and in the treatment of specific health conditions. In

line with our ambition to be recognised as the world's leading nutrition, health and wellness Company, we are committed to improving the nutrition – and therefore the health and wellness – of people around the world through the foods, beverages and services we provide, applying the research we carry out and the informed choices we promote” (CSV 2013, 48). Nestlé feel responsible as a beverage and nutrition organization to market the healthy choice to the fundamentals of a healthy life. The biggest factors for Nestlé when it come to “Nutrition”, is how “half the world's population is affected by the double-burden of malnutrition, from either undernutrition or overweight/obesity” (CSV 2013, 50). Nestle believe to help prevent this issue by taking concerted action between the public and private sectors to prevent the problem from rising further, and to help it minimize. They do this by providing knowledge and education in nutrition and healthy choices (CSV 2013, 50). Also, the “Nutrition” chapter describes what contribution their products provide the world with and how they help the world through great communication and great products. The next part of the CSV report is “Rural Development” and is the second section Nestlé takes of commitments. “Our business makes a significant contribution to rural development because many of our factories are located in rural areas, and the majority of our ingredients – including milk, coffee and cocoa – are grown there by farmers, more than 686 000 of whom supply us directly” (CSV 2013, 98). This is described and explained well, how highly Nestlé rely on their suppliers, and take action to help reduce the footprint Nestlé makes. Nestlé take action to this issue by having “ambitions for poverty reduction, sustainable growth, social inclusion and equitable development will only be realised if they are tackled at a rural level. (...). We want and need rural areas to be attractive places to live, work and invest in. Therefore, we continue to work closely with rural communities within our sourcing districts and around our factories to assist with their economic and social development. In this way, farmer, farm workers and our own employees can work in a stable and reliable environment, improve their skills and access opportunities for a more secure future” (CSV 2013, 100). This part is important to Nestlé because it is about the wellbeing of their employees, suppliers and the people who work to make Nestlé a great organisation and to secure global food supplies. To help support the system supporting Nestlé. The next part of the CSV report is on “Responsible Sourcing”. As Nestlé wish to engage in rural development to support the system supporting Nestlé, the company also engage in Responsible Sourcing. “We're focused on ensuring that our raw materials are produced responsibly and sustainably – and it starts

with knowing where they come from and how they're produced" (CSV 2013,121). Because the population on earth is getting bigger and the health science departments know how to treat and make the population grow older, the demand for the natural resources are getting higher, particularly food production. Therefore, Nestlé set out to help secure a long-term supply of the raw materials they need for the organisations production of food and beverages. In order to do this, the organisation has adopted the internationally recognised Good Agricultural Practices (GAP). "That address environmental, economic and social sustainability for on-farm processes and result in the production of safe and quality food and non-food agricultural products. In simple language, GAP stand on four pillars: economic viability, environmental sustainability, social acceptability, and food safety and quality" (CSV 2013, 123). The fourth part of this CSV report is about "Water". The organisation has chosen to take action on water because "The long-term success of our company depends upon effective water stewardship. While the human right to water and sanitation is uncontested, the ongoing realisation of this right by governments continues to be a challenge, with 768 million people still using unsafe drinking water sources and 2.5 billion people lacking improved sanitation facilities. At Nestlé, we want to ensure, first and foremost, that our operations do not compromise the right to water and sanitation of local communities, but we are also helping to provide access to water and sanitation our immediate sphere of influence" (CSV, 2013, p. 167). Nestlé describes in the first section on water why they engage in "Water" and how to take action is important for their organisation as one of their big resources is water. In the next section they describe how they take action to secure water supply and availability around the world. "In 2013, we launched a new Nestlé Commitment on Water Stewardship to guide our activities and signed the World Business Council for Sustainable Development's 2013 WASH pledge, which commits to companies to providing access to safe water, sanitation and hygiene at all workplace premises in direct control within three years. By signing this pledge, we reaffirm our willingness to meet our commitments – and encourage others, along the entire value chain to do the same" (CSV, 2013, p. 167). This describes action taking by Nestlé to secure water around the world in relation to their organisation. As with "Rural Development" and "Responsible Sourcing" Nestlé takes action in reducing their footprints.



The following part of the CSV report from 2013 is “Environmental Sustainability” and starts off by describing environmental sustainability and how the organization intend to protect the future by taking strategic choices. This is a consequence as water is increasingly becoming more scarce and biodiversity is declining and the results of climate changes is resulting in these issues worsening faster. Nestlé therefore states to work on producing products that not only is becoming tastier and healthier, but also better for the environment. “Environmental Sustainability” is also a means to satisfy consumers by giving them another reason to trust Nestlé and enjoying Nestlé’s produced products that are produced in respect to employees’ and external stakeholders expectations on environmental sustainability (CSV 2013, 203). Nestlé describes “Environmental Sustainability” as another way to trust Nestlé through their CSR, making the choice of taking action, within this commitment, not solely for the purpose of the environment. In the following the initiatives and action taken by Nestlé will be investigated. “Our goal is that Nestlé products will not only be tastier and healthier, but also better for the environment along their value chain. It’s a challenge we approach by identifying areas for improvement at every stage from farm to consumer and beyond” (CSV 2013, 207).

Nestlé’s business relies on natural resources, which are increasingly constrained. Therefore, the organisation takes action in order to protect the future by making the right choices and reducing their impact on the environment, and to create trust between the organisation and its consumers. To live up to the consumers and stakeholders’ expectations (CSV 2013, 206). Nestlé has among others taken action in tackling deforestation, in particular palm oil to achieve zero net deforestation by 2020. The organisation states their products has no relation or is associated with deforestation. In addition, Nestlé has worked on locating important water areas with high biodiversity and the organisation will take action to help safeguard these areas (CSV 2013, 210). The organisation is taken several different initiatives to strengthen their CSR program. By 2016 “Fact-Based environmental information will be accessible to consumers in all countries” (CSV 2013, 211). In the “war” against ignorance, Nestlé are providing consumers the ability to retrieve useful information through their cell phones (CSV 2013, 212). Nestlé’s policy on “Environmental Sustainability” was launched in 1991 and reissued in 2013. The policy has six priority areas: Water preservation, natural resource efficiency, Biodiversity Conservation, Air emission reduction, Climate change

adaptation and zero waste (CSV 2013, 213). This policy incorporates the United Nations Global Compact (UNGC) environmental principles, that Nestlé has followed since 2001. This roughly sums-up the 2013 report of action, goals and initiatives taken by Nestlé. Nestlé's priorities are in those areas where business interests match stakeholders and society.

The next section is on "Human Rights and Compliance". As previously and compared to the other section of the CSV report, Nestlé starts off by explaining why they take action. "Creating shared value requires compliance with the highest standards of business practice, including national and international codes, standards and laws, as well as our own code of business conduct, corporate business principles, and management and leadership principles. We aim to go beyond legal compliance in order to continually improve the way we do business and have a positive impact on all our society. (...). We've made a number of specific commitments to assess and address human rights and issues and business integrity across Nestlé, ensure human rights are respected in our business activities, eliminate child labour from our supply chain and market breastmilk substitute responsibly" (CSV 2013, 281). This describes why and how Nestlé wish to take action when it comes to "Human Rights and Compliance" and in which areas they take action.

Nestlé's last part of the report is "Our People". Our People describes to some point their action in the other areas. Nestlé describes this point as "our people make Nestlé, and keeping our employees and contractors safe and healthy is our top priority. We also want to provide opportunities for all, nurture talent and help our people achieve their potential – by supporting their development to the best of our ability, and keeping them motivated and engaged" (CSV 2013, 324). Nestlé wish to engage and take care of the workers and people who take care of Nestlé. "Today's businesses need to make more of the talent they have. They need to respect their people, listen to them and engage with them to resolve various issues. For example, we recognise that gender equality and women's rights are critical to Creating Shared Value for our business and for society. It is essential that we help to increase women's participation in, and contribution to, the value chain in a sustainable way. And we determine to do so. We also need to make sure employees remain safe and healthy at work and are supported to develop their careers and reach their potential" (CSV 2013, 326). Nestlé describes how important for their organisation it is to take care of the people engaging with

their company, both wellbeing and possibility to educate oneself. This is the case around all the organizations commitments and different areas they set their footprint to, and acknowledges where they need to do better and where there is a need for higher focus.

### **CSV Report 2014**

The next report is from **2014**. Nestlé's CSV report from 2014 is highly similar to the previous CSV report from 2013. The focus points in Nestlé's shared value is: "Nutrition", "Rural Development", "Water", "Environmental Sustainability", "Human Rights" and "Compliance" and "Our People".

Nestlé starts of their CSV-report by describing their organisation as "the leading Nutrition, Health and Wellness company and we are committed to improving people's quality of life at every stage, through science-based innovation. Creating shared value is the way we do business, and the way we connect with society. It's an approach based on respect for people, cultures and the natural environment" (CSV 2014, 3).

The first part of Nestlé's report is "Nutrition". "Nutrition" is as previous CSV reports still one of Nestlé's main commitments and it has been that way for 150 years. Nestlé do as previous years, intend to enlighten the world on good healthy food to help avoid malnutrition, underweight and obesity. They do so, by improving their food and beverages, encouraging healthier lives and adhering to their policies. "Good nutrition is vital for everyone's health and well-being. Our goal is to help our consumers reach and maintain optimal nutrition and health throughout their lives and to achieve this, we are learning more about the contribution our foods and beverages can make at every life stage" (CSV 2014, 40). The next part is "Rural Development" and explains the importance for Nestlé to keep the suppliers to Nestlé close and help everyone who needs it and not leave anyone behind. In all the reports the description and layout of the pages are similar. Nestlé starts of by a description on why they are supporting the rural areas. Nestlé states their reliance and need on the agricultural raw materials from millions of farmers around the world, where more than 695 000 of them supply the organization directly or through cooperative and collection centres. Nestlé describes how essential the farmers are to the ongoing success of Nestlé which is why the rural areas which is where the farmers work, is set as one of the organization's big

commitments. Here Nestlé work to “assist farmers with agricultural support and capacity-building programmes to increase yields, crop quality and income levels. We have developed a Rural Development Framework to help us align our business activities with local priorities” (CSV 2014, 77). Nestlé keep supporting the suppliers of “Rural Development” who is a big part of the organisation because they acknowledge them as essential to their business. As the three other described reports, “Water” is also one of the main points in this CSV report as well. “Water, more than any other substance, is essential for human survival and cannot be replaced. The gap between the supply and demand of safe freshwater is increasing and, by 2030, water withdrawals are predicted to exceed renewals by 40% if no action is taken. As the gap increases, so does the level of stakeholder attention around how and where water is being used (including by ourselves)” (CSV 2014, 124). Nestlé acknowledges the coming crisis for safe water and wish to take a step in helping reduce and solve this problem (CSV 2014, 124). However, it also states how it is a commitment receiving stakeholder attention which places it further away from doing it solely because of the environment, and for no selfish reasons as an organization.

As in the previous reports Nestlé starts of their environmental description on page 148 by describing why and what environmental sustainability means to the organisation. Some of the organisation’s highlights from 2014 was; highest industry score in the environmental dimension, retained first position in Oxfam’s ‘Behind the Brands scorecard, Top in the 2014 CDP Forest Consumer staples sector and leadership status in 2014 CDP water, 45 805 tonnes packaging material avoided in 2014, 72 Nestlé factories (15%) achieving zero waste for disposal and 109 countries where factor based environmental information is accessible to consumers. However, alongside the highlights the organisation faced some challenges as well same year. The first challenge was Nestlé’s action to Achieve zero waste for disposal, and explains how in many countries, public recycling facilities and infrastructure are insufficiently developed. The second challenge was optimal packaging in their action against plastic, packaging material and in an effort to avoid food wastage. The third challenge was consumer engagement. Getting consumers to understand and adopt can be difficult to explain to customers. The fourth and last challenge is Biodiversity. Biodiversity demands close collaboration with several partners and the data evolving biodiversity is difficult to obtain. However, the organisation are highly aware of their footprint on the world’s resources. “Food

production and consumption can take upon important share of the world's resources. As an essential prerequisite for creating shared value, we not only have to comply with all applicable legal requirements and the Nestlé Corporate Business Principles but also ensure that the principle of sustainability is embedded into all of our activities, brands and products. This is particularly important in an environment where water is increasingly scarce, natural resources are constrained and biodiversity is declining" (CSV 2014, 149). This explains the reason for Nestlé's choice on their key issues to be "Water", "Natural resources" and "Biodiversity".

"Focusing on preserving water, using natural resources efficiently, conserving biodiversity, reducing air emissions, adapting to climate change and reducing waste, we use the scientific method known as life-cycle assessment (LCA) to help us understand the performance of our products along their value chain. This informs our decision making; helps us take actions to continuously improve our environmental performance; enables us to respond to stakeholders' growing interest in the environmental performance of food and beverage products; and provides credible evidence to support specific environmental communications and claims" (CSV 2014, 156). Nestlé uses this to get a clear understanding of the environmental lifecycle their organisation's products make. In order to make a concrete shared value plan to reduce their organisations footprint on earth.

The next focus point by Nestlé is "Human Rights and Compliance". "Our behaviour as a company must not only follow national laws and international business standards but actively reinforce them. By respecting and upholding the principles established by the global business community, and through the continuous and consistent application of our own standards, Nestlé is in a strong position to have a positive impact on those who we affect. We cannot claim to be perfect, and there is always much more work to be done. Our efforts to create shared value through ethical business practices are outlined in this chapter" (CSV 2014, 195). The organization intend to take action and create more of so through an ethical practice. This focus consists of Nestlé's role in human rights and compliance, Compliance in general, Anti-corruption, Human rights, child labour and product safety and quality. This point also partly covers the other points where Nestlé describes it as "the creation of shared value, alongside social and environmental sustainability, can only be achieved through strict

compliance with international standards and national laws that respect stakeholder rights, and are founded on our own corporate values and principles. (...). Nestlé strives to be exemplary in meeting high standards all along our value chain – seeking to eliminate child labour; working against corruption and bribery; making it easier to report and address possible compliance violations; assessing human rights impacts” (CSV 2014, 196). Following these standards makes Nestlé more effective when it comes to compliance. The last point in this CSV report as well as the other reports is “Our People”. Our people are about all the people around Nestlé as Nestlé state the people around Nestlé to be the reason for their success. “From factory workers to scientists, sales representatives to business managers, our people are our greatest asset, so offering good working conditions and keeping them safe, healthy and engaged is a top priority. Last year, Nestlé signed up to the UN Women’s Empowerment Principles and it is helping us to improve the gender balance of our business. We have also announced the launch of the Youth Employment initiative across Europe, creating 20 000 new opportunities for people under 30 by 2016” (CSV, 2014, p. 216). This point focuses on Nestlé’s role with their people, safety, health and wellness, labour relations, diversity and developing talent.

The CSV reports from 2011 to 2014 are all very similar. And all have a chapter or pages describing their relation to the UNGC, which will be described further later in this project. As stated in our introduction and problem statement we wish to investigate whether politics in form of entering Unions has an influence on big corporations, like Nestlé’s, communication and CSV reports. The next CSV report to be analysed and investigated is the report from 2015. This is the year when Nestlé adopted the SDGs and the following will investigate the possible or non-possible changes the adoption of the goals has taken to the reports after 2014.

### **CSV Report 2015**

Nestlé’s CSV-report from **2015** was the year were the SDGs were adopted. This report will be interesting to investigate to see if any differences can be spotted in the CSV reports from 2015 and onwards.

The Report is 351 pages long and consists of seven sections. Nestlé’s focus and key issues continuous to be “Nutrition”, “Rural Development”, “Water”, “Environmental

Sustainability”, “Human Rights and Compliance” plus “Our People”. As an addition Nestlé has added “Health and Wellness” to “Nutrition” (CSV 2015, 2). Examples of created shared value by Nestlé is the number of 192 billion of servings of fortified foods provided worldwide, 760 000 Farmers supplying directly to Nestlé, 41,2% cumulative reduction since 2005 of direct water withdrawals per tonne of product in every product category and CHF 2,2 billion in corporate taxes. In the previous reports it shows what Nestlé’s CSV reports consists of. This illustrate their engagement in areas surrounding their company and how they are aware of the footprint they make on the areas it enters. This is the areas their CSR and CSV is based upon.



(CSV, 2015, p. 18).

This model illustrates Nestlé’s commitments as described in the beginning, but here it is described exactly what action the companies take in each area.

This CSV report is the fifth analysed and investigated but it is also “the twelfth Nestlé in society creating Shared Value report. It is written to promote communication and transparent reporting to (...) shareholders and stakeholders. The report shares detailed information about (...) material issues, and (...) societal and environmental impacts. Together with a report summary and (...) Annual Review, this document forms an integral part of Nestlé’s UN

Global Compact Communication on Progress” (CSV 2015, 4).

As previously mentioned, 2015 was the year the UN sustainability Goals were adopted by Nestlé and is mentioned in this report. It is clear that Nestlé has chosen to include it in their CSV report and adopt it in 2015. It could indicate they are recognizing or considering how important the goals are and how they fit into their report. It could also be discussed that the UN-Goals are positive for customers and stakeholders. An addition to the CSV report is the part of wellness being added to nutrition and health. Looking at the 17-UN Goals number three is “Good Health and Well-being” which could be argued to match well. An effort to refer closer to the goals. Here Nestlé states “This reporting year was important, not just for Nestlé but for the United Nations, Civil society and the private sector as a whole” (CSV 2015, 8). Another difference that can be seen in the 2015 report compared to the other reports is the section with the 17 world goals. This can be seen on page 11. The goals mentioned in the report from 2015 is:

2. Zero hunger: End hunger, achieve food security, and improved nutrition and promote sustainable agriculture.
3. Good health and well-being: ensure healthy lives and promote well-being for all at all ages.
6. Clean Water and Sanitation: ensure access to climate change and its impacts.
12. Responsible consumption and Reduction: Ensure sustainable consumption and production patterns.
13. Climate: Take urgent action to combat climate change and its impacts.





(CSV, 2015, p. 11).

There is a difference on the report from 2015 compared to previous reports in form of the SDGs. Here, it is not only mentioned but used and inserted with the exact same layout as the 17 world Goals, which is illustrated above. This could indicate that although Nestlé has pretty much the same goals and agenda when you compare their CSV from 2011 to 2015 there is a focus on the goals in 2015. To circle back to the goals Nestlé describes the CSV from 2015 among others as “This reporting year was important, not just for Nestlé but for the United Nations, civil society and the private sector as a whole. In September 2015, 193 member states of the UN adopted 17 new Sustainable Development Goals (SDGs) to define global priorities from now until 2030. We are reviewing our commitments against the SDGs and believe we should focus on specific goals where, by the nature of the business we are in, we feel we can maximise our impact on a global scale” (CSV 2015, 11). This description describes Nestlé’s choice on selecting five out of the 17 world goals, based on which is best suited for their business and where they feel they can make a difference. Nestlé explains that they have chosen parts of the SDGs to which match their existing areas of expertise. As the previous reports the commitments in 2015 is the same as previous, but the difference between the first reports compared to 2015 is clear, the 17 world sustainability goals is highly mentioned in the report.

## CSV Report 2016

As mentioned in the empirical data section, the CSV report from 2016 has 7 main sections with the titles “Nestlé in society: Creating Shared Value”, “Nutrition, health and wellness”, “Rural development”, “Water”, “Environmental sustainability”, “Human rights and compliance” and “Our people”. These overall categories touches upon several of the same subjects as UN’s 17 SDG’s.

The sections consist of 42 commitments stated by Nestlé concerning issues within the field of the given section. To state some of their commitments, the section of “Nutrition, health and wellness” has the following: "Launch more nutritious foods and beverages, especially for mothers-to-be, new mothers and children", "Further decrease sugars, sodium and saturated fat", "Increase vegetables, fibre-rich grains, pulses, nuts and seeds in our foods and beverages", "Address undernutrition through micronutrient fortification" and "Simplify our ingredients list and remove artificial colors".

In the section “Rural development”, some of the commitments are the following: "Roll out of rural development baseline assessments to understand the needs of farmers", "Improve farm economics among the farmers who supply us" and "Improve food availability and dietary diversity among the farmers who supply us". Health and overall nutrition is also considered a focus of UN’s with the intention of bettering the lives of less fortunate and sick people.

In the section “Water”, some of the commitments are the following: "Work to achieve water efficiency and sustainability across our operations”, and "Advocate for effective water policies and stewardship”. In the section “Environmental sustainability”, some of the commitments are the following: "Provide climate change leadership” and "Promote transparency and proactive, long-term engagement in climate policy” (CSV 2016, 24).

As Nestlé has stated and as mentioned before, several of the commitments are from previous CSV-reports and commitments and thereby long-term goals, however, Nestlé will adapt and develop their goals from time to time. This is the same situation with UN’s SDGs, which are also considered long-term goals and are therefore in an on-going development.

The first page in the section “Nestlé in society” is a review over the last year with a particular focus on how Nestlé has contributed to the world through their programme “Creating Shared Value”. This page refers to the above-mentioned sections, which should be identified as their core commitment areas. In “Nutrition, health and wellness”, they state how 93% of children’s or teenagers’ breakfast cereals have more whole grain in a serving than any other ingredient.

This shows a focus on health and well-being for the public, which is in alignment with UN's SDG's goal 2 "Zero hunger", where they state how they wish to promote improved nutrition. In the section "Water", Nestlé states how they have reduced water withdrawals per tonne of product by 25%, saved 3.2 million m<sup>3</sup> of water and invested 22.5 million on improved water treatment facilities. One of UN's 17 SDG's is "Clean water and sanitation", where they amongst other focuses want to ensure sustainable water management and sanitation for all people. In the section "Environmental sustainability", Nestlé states how they have reduced their greenhouse gas emission, invested 299 million in replacing synthetic refrigerants with natural alternatives, achieved zero waste for disposal and avoided 22525 tones of packaging material through optimization. This shows a great focus on optimizing processes to make them more environmental friendly and contributing through investments. Several of UN's SDG's focus on develop more sustainable solutions and reduce waste, such as their goal "Responsible consumption and production", where UN wants to ensure sustainable consumption and production, achieve sustainable managements and efficient use of natal resources and additionally halve global food waste.

While reading the message from the CEO on page 4, it is clearly enhanced how Nestlé contributes to the world. This is seen in the following sentences: "Every day, Nestlé touches the lives of billions of people worldwide: from our employees to the farmers who grow our ingredients and the families who enjoy our products; to the communities where we live and work; as well as the natural environment upon which we all depend" (CSV 2016, 4). UN's goals have the same global focus in several of their commitments, for instance in goal 17, where they state how they would like to assist less developed countries in foster debt financing, relief long-term debt and restructure.

On page 6, Nestlé presents the concept of Creating Shared Value, which they describe as follows: "The strategy tool that Nestlé uses to operationalize and manage all the actions it takes to ensure it creates value for shareholders and for society. This is how Nestlé brings its purpose to life – to enhance quality of life and contribute to a healthier future" (CSV 2016, 6). This is the concept and purpose all the CSV reports rely on. Nestlé refers directly to the UN's SDGs on page 7, where they state how their CSV commitments enable them to meet their ambitions for 2030 in line with the timescale of the Sustainable Development Goals. On page 10, Nestlé states the following: "We are framing our Creating Shared Value agenda closely with the United Nations 2030 Agenda for Sustainable Development", and "We have

integrated the SDGs into our CSV approach, which allows us to identify those goals where we can add most value” (CSV 2016, 10). These statements clearly show Nestlé’s focus on adapting and creating their commitments in great alignment with UN’s goals.

Nestlé mentions how their company purpose is to enhance quality of life and contribute to a healthier future, and in their 2016 CSV report they have specified this focus in three ambitions: “Enable healthier and happier lives”, “Help develop thriving, resilient communities” and “Steward resources for future generations”. It is stated how their work should support the achievement of the SDGs.

In the picture below, there will be an overview over Nestlé’s company purpose, their stated ambitions, their CSV impact areas and a specification on how they make an impact. In their CSV report on page 6 right underneath this model by Nestlé, the company has illustrated the 17 UN SDG’s and stated the following: “Through our ambitions, we are supporting the Sustainable Development Goals” (CSV 2016, 6).

This further enhances how Nestlé aims to support the SDGs through their own personal ambitions and how they wish to achieve success in great alignment with UN and their intentions.

Our company purpose		
Enhancing quality of life and contributing to a healthier future		
Our ambitions		
<b>For individuals and families</b> Enabling healthier and happier lives	<b>For our communities</b> Helping develop thriving, resilient communities	<b>For the planet</b> Stewarding resources for future generations
Our CSV impact areas		
<b>Nutrition, health and wellness</b>	<b>Rural development</b> <b>Human rights and compliance</b> <b>Our people</b>	<b>Water</b> <b>Environmental sustainability</b>
How we make an impact		
Offering tastier and healthier choices Inspiring people to lead healthier lives Building, sharing and applying nutrition knowledge	Enhancing rural livelihoods Respecting and promoting human rights Promoting decent employment and diversity	Caring for water Acting on climate change Safeguarding the environment

(CSV report 2016, page 10).

In the CSV report of 2016 on page 15, Nestlé has a section dedicated to business ethics. Nestlé states the following: "Business ethics remains one of our most material issues. Upholding ethical principles in our business and throughout our value chain is fundamental to the way we operate, and underpins consumer trust and our license to operate" (CSV 2016, 15). It is stated how bribery and corruption negatively impact the company performance and the stakeholder's perception, and how Nestlé does not tolerate bribery, deception, breach of confidence and abuse of power. Nestlé has made a public commitment to ensure their integrity. They state how they are aware of the fact that these activities happen in some markets and how they set out their position on these issues through their Code of Business Conduct, which refers to a set of principles and values that Nestlé commit to. This is in alignment with the moral values of UN and their good intentions with the SDGs.

It is also clear in the report from 2016 that the goals has gotten much more space in the CSV report compared to only a year earlier. In this report the SDGs are taken up much more space, compared to the five goals Nestlé chose to present in 2015, whereas in this report, all 17 SDGs are applied, or Nestlé has inserted their commitments on to the SDGs seemingly to were they could fit in. However, when investigating and carefully studying the reports, it reveals the commitments positioned out on the different SDGs are highly the same ones, and several commitments are repetitions within different SDGs were a tremendously big part of the commitments was already stated by the organization back in 2011-2014. It seems as they are creating bigger awareness to the SDGs in 2016.

Studying the report and all the commitments within the SDGs, the CSV report looks very impressive. However, when investigating and comparing the different commitments stated in 2016 that are inserted in the different SDGs with previous reports, several of the same commitments are mentioned in different SDGs where the old commitments from 2011-2014, before the SDGs were initiated. It is copy pasted and in some examples the wording is changed to fit the SDGs making it look more efficient than what you could argue to be the case. It could be argued, that the SDGs in the report from 2016 is used as a new form for layout or advertisement for the already existing commitments were a low amount of the presented categories within the SDGs is new initiatives, and the ones that are, is still within

the same commitments as the reports from 2011-2014. Also, the UNGC is getting more page space in the CSV reports.

### **CSV Report 2017**

In the CSV report of 2017, Nestlé state their purpose as the following: "enhancing quality of life and contributing to a healthier future" (CSV 2017, 6). This is seen on page 6 regarding the framing of their CSV approach. They have divided their ambitions and commitments into three actions: "For individuals and families", "For our communities" and "For the planet" with the ambition of reaching these goals by 2030. In this report, they state they have 41 commitments to hold themselves publicly accountable for and how their values and efforts are rooted in respect for others, for diversity and for the future.

Some of the commitments of 2017 in the section "For individuals and families" are the following: "Launch more foods and beverages that are nutritious, especially for mothers-to-be, new mothers and infants and children" (CSV 2017, 21). "Further decrease sugars, sodium and saturated fat" (CSV 2017, 23). "Address under-nutrition through micronutrient fortification" (CSV 2017, 27). "Inspire people to choose water to lead healthier lives" (CSV 2017, 38). and "Build and share nutrition knowledge from the first 1000 days through to healthy aging" (CSV 2017, 45). This increased focus on health is also seen in the SDGs goal 3: "Good health and well-being", where UN wants to improve the health of people and increase life expectancy.

In the section "For our communities", several of Nestlé's commitments are the following: "Roll-out of rural development assessments to understand the needs of farmers" (CSV 2017, 52). "Improve food availability and dietary diversity among farmers who supply us" (CSV 2017, 54), "Assess and address human rights impacts across our business activities" (CSV 2017, 60), "Enhance a culture of integrity across the organization" (CSV 2017, 62), and "Provide effective grievance mechanisms to employees and stakeholders" (CSV 2017, 73). This commitment is in great alignment with UN's goal 9: "Industry, innovation and infrastructure" that has a high focus on developing innovative and giving processes on a global level.

In the section "For the planet", Nestlé has the following commitments amongst others: "Advocate for effective water policies and stewardship" (CSV 2017, 81), "Engage with suppliers, especially those in agriculture" (CSV 2017, 84), Provide climate change leadership

(CSV 2017, 88), "Promote transparency and proactive, long-term engagement in climate policy" (CSV 2017, 90), "Improve the environmental performance of our packaging" (CSV 2017, 93), and "Provide meaningful and accurate environmental information and dialogue" (CSV 2017, 96). This focus on creating sustainable solutions and working for processes that maintain and protect the environment is a great focus in the SDGs as well. In several of the goals, the intention is to achieve the stated goals without harming the planet, and goal 13 "Climate action", 14 "Life below water", 15 "Life on land" has the direct intention to protect the species of the planet and improve the environmental conditions.

On page 8, Nestlé refers to a range of global change and mention how our world is affected by these. Therefore, these trends have influenced the development of their CSV approach and 2030 ambitions. These trends and focuses are human rights, sustainable agriculture, population growth and urbanization, over- and under-nutrition, water scarcity, increasing personalization, rural development, food waste and loss, changing consumer expectations, climate change, youth employability, declining natural capital and lifestyle changes. Nestlé states how these global trends influence their value chain in their agricultural supply chain, in manufacturing and in regards to retail and consumers, which is seen on page 9.

Nestlé would like to contribute to the global agenda, which is why they repeatedly state their commitment to the UN SDGs, and on page 10 it is stated how Nestlé has helped to shape the 17 goals, and how they work hard to achieve them.

Nestlé states how they have framed their CSV reports in accordance to UN's 2030 agenda. They state how the SDGs recognize how we live in an interconnected world in which our futures are inextricably linked. In regards to integrating UN's goals into their CSV reports, Nestlé states the following: "Integrating the SDGs into our CSV approach has enabled us to identify those where we can create a positive impact – or at the very least, mitigate a negative impact" and "We remain committed to leveraging our scale to make progress towards the UN's ambitious 2030 agenda, and our own 2030 ambitions" (CSV 2017, 10). This shows an overall commitment to achieved not only their individual goals, but also the SDG in which they are fully invested.

As a part of their CSR profile, Nestlé has a section called "Our reporting" where they touch upon their business ethics and transparency. They state the following: "Upholding ethical

principles in our business and throughout our value chain is fundamental to the way we operate, and underpins consumer trust and our license to operate. This includes our zero tolerance of fraud, bribery and corruption, our stringent efforts to ensure data privacy and our public policies” (CSV 2017, 100). Nestlé wants to ensure that their processes and structure of their corporate compliance programme are strong and being implemented effectively, and they do this by overseeing these processes by their Group-level Compliance Committee and local committees in the market field.

They want to enhance the respect between Nestlé and their suppliers and to be sure they comply with their ethical standard and codes. Should there occur any instances, Nestlé has an internal and external grievance mechanism called “The Nestlé Integrity Reporting System” and “Tell Us” system. These initiatives show a great focus on an equal and transparent work method and work relations. SDG 17 “Partnership for the goals” also focuses on an open dialogue between UN’s partners and they enhance how they rely on each other to be successful with implementing the wanted changes and ambitions.

### **CSV Report 2018**

The CSV report of 2018 is as mentioned a progress report. Just as in the other reports, this also focuses on the three larger focal points: “For individuals and families”, “For our communities” and “For the planet”. In these sections, the report of 2018 reveals commitments within the specific field, such as: "Launch more foods and beverages that are nutritious, especially for mothers-to-be, new mothers, and infants and children", "Simplify our ingredient lists and remove artificial color", "Apply and explain nutrition information on packs, at point-of-sale and online", "Empower parents, caregivers and teachers to foster healthy behaviors in children" and "Build biomedical science leading to health-promoting products, personalized nutrition and digital solution" in the section “For individuals and families”. In the section “For our communities”, Nestlé commits to: "Improve farm economics among the farmers who supply us", "Implement responsible sourcing in our supply chain and promote animal welfare", "Improve workers’ livelihoods and protect children in our agricultural supply chain”, "Enhance gender balance in our workforce and empower women across the entire value chain” and "Advocate for healthy workplaces and healthier employees”. In the last section “For the planet”, the commitments are the following:



"Work to achieve water efficiency and sustainability across our operations", "Engage with suppliers, especially those in agriculture", "Promote transparency and proactive, long-term engagement in climate policy", "Improve the environmental performance of our packaging" and "Provide meaningful and accurate environmental information and dialogue" (CSV 2018, 5).

The UN's SDGs also work for the greater cause and the goals have the intention of supplying and caring for people worldwide, which is also the case in several of Nestlé's commitments. They do not only operate on a national or local foundation but they want to extend their positive imprints on a global level.

In order to create an overview over the development of the commitments, Nestlé marks their commitments with either one, two or three dots, depending on whether or not the commitment is new, in progress or achieved.

On page 6 under the section "For individuals and families", Nestlé elaborates on some of their commitments and ambitions: "It's never too early to build healthy eating habits. Officially launched in 2018, Nestlé for Healthier Kids is our flagship initiative for children and families. It brings together all our efforts, from product reformulation to innovative nutrition and lifestyle services for parents and caregivers" (CSV 2018, 6). They support their initiatives with science, which is stated in the following: "Nestlé for Healthier Kids activities are built on scientific evidence, including our studies into the eating habits and nutritional intake of infants and children" (CSV 2018, 6).

The UN's SDGs are also built and developed based on decades of investigation and work by several countries and the UN itself. UN's Department of Economic and Social Affairs build their researches on multiple sources and data to ensure a valid argument and result.

On page 24 in the section "For our communities", Nestlé states how they wish to support entrepreneurship and innovation in the following statements: "Supporting young people to be innovative and creative through initiatives such as Nestlé Professional's My own business scheme" and "Especially through our interactions with young people and our Facebook page, and by stimulating innovative thinking and leveraging resources" (CSV 2018, 24). Nestlé wants to create employment and training opportunities for youth at Nestlé by hiring younger people and providing them with their first work experience. Their programme regarding

agripreneurship should prepare the next generation of farmers by developing the youth's agricultural and business skills and making farming an attractive career option. This is considered one of many actions Nestlé take to contribute to the world. They state the following: "Our experience and scale as a global food producer enable us to make a difference by supporting rural development and economic growth throughout our supply chains. Working closely with farmers, their communities and expert organizations, we look to identify the root causes of challenges farmers face, and develop solutions to help them improve their practices, increase their productivity and income, and make farming a more attractive sector" (CSV 2018, 24). Nestlé has four key areas, which are to access farmers' needs and ensure they address the right and relevant issues, to help make farms and farmers economically viable, to ensure farmers and their family are healthy and has access to nutrition and to ensure their supplies of raw ingredients are sources in a responsible manner (CSV 2018, 25).

On page 40 in the section "For the planet", Nestlé has a great focus on complying with legal and regulatory requirements as well as internal standards. They have a special focus on water as one of their CSV areas, and about that they mention the following: "Water is one of the three Creating Shared Value (CSV) areas where the needs of our business most closely align with those of society. Although our efforts involve making water use in our facilities more efficient, the potential impact we can have beyond our boundaries is arguably much greater" (CSV 2018, 40). Nestlé views access to clean water and adequate sanitation is considered a fundamental human right, and they wish to protect and preserve water resources.

Additionally, Nestlé states three general 2030 ambitions, and they are the following: "Our 2030 ambition is to help 50 million children lead healthier lives", "Our 2030 ambition is to improve 30 million livelihoods in communities directly connected to our business activities" and "Our 2030 ambition is to strive for zero environmental impact in our operations" (CSV 2018, 5).

On page 3, Nestlé touches upon their concept of CSV by explaining how their concept adds value to their way of operating and doing business. Nestlé states the following: "We believe that societies will not support a business that harms our communities and overall sense of

well-being. Creating Shared Value helps ensure that we remain relevant with consumers” (CSV 2018, 3). This shows a focus on keeping a solid relationship to their consumers and is in great alignment with SDG 17 “Partnership for the goals” that also focuses on keeping a great relation and strong cooperation between UN and their partners.

## **CSV Report 2019**

The CSV report of 2019 is, as well as the report from 2018, a progress report, which means it is currently developing and adapting.

In the report, Nestlé refers to their 2020 commitments and progress, since it naturally is a great focus of theirs in the year of 2019. As three focal points, they have the usual “For individuals and families”, “For our communities” and “For the planet”. Within the section “For individuals and families”, Nestlé’s overall ambition is the following: "Enabling healthier and happier lives" (CSV 2019, 6). Some of the commitments are the following: "Inspire people to choose water to lead healthier lives", "Build biomedical science leading to health-promoting products, personalized nutrition and digital solution" and "Further decrease sugars, sodium and saturated fat" (CSV 2019, 5). This is in alignment with the third SDG “Good health and well-being”, where UN wants to ensure healthy living and promote healthier choices. For instance, UN enhances the importance of immunization and mentions how it saves millions of lives and is recognized and acknowledged as one of the most successful and cost-effective health interventions (CSV 2019, 6). The coverage of vaccines is a great focus of UN, which contributes to an overall optimizing of health on a global level, and this is important for Nestlé as stated in their commitments.

Within the field “For our communities”, the overall ambition is the following: "Helping develop thriving, resilient communities" (CSV 2019, 5). Some of the commitments are stated as well: "Improve farm economics among the farmers who supply us", "Implement responsible sourcing in our supply chain and promote animal welfare" and "Provide effective grievance mechanisms to employees and stakeholders" (CSV 2019, 5). In SDG 8 “Decent work and economic growth”, UN also wants to increase the economic growth on a global level. The goal has the intention of being inclusive and reduce the exposure of worker around the world.

The last section “For the planet” has the overall ambition stated as the following: "Stewarding resources and the environment" (CSV 2019, 5). Some of the commitments are stated: "Engage with suppliers, especially those in agriculture", "Provide climate change leadership" and "Reduce food loss and waste" (CSV 2019, 5). This is in alignment with the several climate related SDGs, in particular goal 13 “Climate action” and goal 14 “Life on land”. The first could stresses how climate change is at rise and how it is moving faster than anticipated. The effects of this critical issue will affect all people worldwide, and UN states how there are taken positive steps in terms of climate finance flows and development of nationally determined contributions, however, they enhance how there is a need of more ambitious plan in terms on mitigation and adaptation. Therefore, UN wants to create access to finance and strengthened capacities need to be scaled up, which should be done faster than previously seen.

As in the previous report, it is possible to track the process with one to three dots, visualizing whether or not the commitment is new, in progress or achieved. The UN’s SDGs are also being tracked and timed, since they require a certain period of time and development resources in order to become successful and integrated well.

In the elaborations of the commitments, Nestlé has a short section called “Why it matters”. In this section, Nestlé arguments for a global cause and concern with several of their commitments. Some examples of this is mentioned in the following: "Human rights abuse has no place in all our activities", "The Nestlé Cocoa Plan aims to help farmers address the challenges they face through three pillars – better farming, better lives and better cocoa", "Globally, demand for coffee continues to rise, but with limited arable land available and with other crops competing with coffee for space, there are considerable challenges for producers", "We have a particular focus on protecting children so they can gain an education to help them and their communities have better futures” and "From under-representation and a lack of equal pay in business management to restricted access to training, tools and finance for agricultural workers, women continue to face challenges throughout the global workplace. Building gender equality and supporting women’s rights, education and empowerment are critical to creating shared value for our business” (CSV 2019, 7).

UN’s goals always focus on contributing on a global level and they have people’s interest. The SDGs should provide a shared blueprint for peace and prosperity for people and the

planet. UN states the following: "At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests" (CSV 2019, 9).

## **6.2 Analysis Two**

This analysis will be based on the results conducted in analysis one on the CSV reports from 2011 to 2019, analysed with the theory of "Organizational Hypocrisy" by Brunsson. It will be structured in the six sections as it is divided in the theory. It will focus on the 17 world goals implemented in the reports and the theories of "Action" and "Politics" and how they intertwine.

In 2015 the SDGs was implemented at the organization which is presented in the reports from start 2015. Here, Nestlé collects resources, produces consistent goals and ideologies to build and structure the CSV around the goals picked to fit the organization and its already existing commitments. You can argue, that Nestlé advertising their goals through the UN's 17 world goals makes them stronger and more legitimate than before, and their commitment to the Goals makes the organization more pressured to take Action in order to fulfil their commitments from a Political point of view.

As described in the theory the political model is in essential ways the opposite of the action model. From a Political perspective, Nestlé's focus on the environment is emphasized. According to Brunsson, the Political model has its focus on a general environment and for the organization to be liked by as many as possible, as it is better to be tolerated by a lot of people instead of loved by a few. Nestlé's commitments is among others to the areas creating value for their organization and to help reducing the organizations footprint. To engage in the 17 World Goals shows action towards the political model to demonstrate its involvement within corporate social responsibility.

Nestlé provides through their CSV reports an outlook into how they intend to take action and what their engagement will be, but through the political model they explain their results. Some organizations have completely divided the two theories, which to some point you can argue Nestlé does too. You can therefore argue that this shows how the models work throughout Nestlé as an organization and how the two complement one another inside the organization. It is here important that the CSV reports of Nestlé's CSR is described through intentions except for the parts that has already been carried out, to be sure the organization do follow through and creates results. As you can spot in Nestlé's CSV reports their goals and achievements of their commitments is placed way ahead in the future. This means that should any critic occur in form of their work in the commitments, they can take action in defending themselves through their intention of action and not from a political theory point of view, as it is not a goal that should already have been achieved. Here the presentation and results models work well together in order to both protect the organization but also create results. Because of the fact that Nestlé set their goals far out in the future, it is possible for the organization to be counted successful when it comes to action even though, from a political perspective the organization has not created the result the organization is working towards. In the theory Brunsson states "that if the action model is expressed in terms of results it will not be good at generating legitimacy or external support, but it can avoid this negative effect if it is expressed in terms of intentions" (Brunsson 2002, 197). Nestlé uses a big part of their CSV reports to describe the challenges and highlights of their commitments. This means, that the action they take is the intentions of solving the issues of the commitments the organization engage in, meaning you can argue it be successful even though the end result has not succeeded yet. The SDGs are therefore "Action" of intentions, and is a choice the organization and society can acknowledge as successful as the intentions of the organization is true. In addition the SDGs have set to be met by 2030, which provided Nestlé the possibility to push their already existing commitments forward, in the commitments to the goals Nestlé chose, matching their already existent commitments. Here you can argue, that society possibly will focus more on the deadline of the well-known Union Goals, than the deadline for the existent commitments set by Nestlé before the goals were adopted.

When investigating the action and commitments taken by Nestlé before 2015, the implementation of the goals and after, we believe the findings to show that the organization

did not change much of their commitments after adopting the UN goals. However, analysis one found that Nestlé changed a large part of their CSV reports when it came to structure and layout after joining the UN and the SDGs in 2015. Here it is clearly shown, Nestlé in 2015 presenting the SDGs in the report. However, in 2016, only a year after, the SDGs are much more dominant in the reports. Here Nestlé highly show their commitments and how many commitments they have within each of the SDGs, and that all 17 Goals are applied within the organization. However, when further investigating the goals, as mentioned in analysis one, many of the commitments are repetitions of different goals and are commitments already stated by the organization back in 2011 to 2014. Hereafter, the CSV reports is partly structured into the 17 goals, whereas prior 2015 the CSV reports is structured into the different commitments.

The **Dynamics of hypocrisy** is the first section of the analysis and portrayed in the inconsistencies between talk, decisions and actions and provides an opportunity to deal with hypocrisy, for example, when it comes to changing its environment, solve a problem or make something new happen for the organization. According to “Dynamics of hypocrisy”, then changing the environment, within the organization, can be argued to have been done in 2015 when Nestlé adopted the SDGs. When Nestlé adopted these goals the organization did not change much of their commitments or CSV as it was goals matching the already existing commitments the organization worked through. When investigating the action and commitments taken by Nestlé before 2015 the implementation of the goals and after, we believe the findings to show that the organization did not change much of their commitments but change the structuring of the reports tremendously. Nestlé has the intention of contributing to society, and the action model states the importance of making something happen. Nestlé states how they have reduced their greenhouse gas emissions, invested 299 million in replacing synthetic refrigerants with natural alternatives, achieved zero waste for disposal and avoided 22.525 tones of packaging material through optimization. This shows a great focus on optimizing processes to make them more environmentally friendly and contributing through investments. This show the political results of the action model. Nestlé engage in specific parts of the environment and takes action which is described through the CSV reports in order to make a change and reduce their impact on earth. The first page in the section “Nestlé in Society” is a review over the last year with a particular focus on how

Nestlé has contributed to the world through their programme “Creating Shared Value”. This could both be the political oriented model and the action-oriented model. Nestlé’s whole programme of CSR as an action is quite ambitious, but is it a political move to boost their image or an action in practice?

The political part of the organization puts the whole of the organization into the environment as it is a part of it itself. This is an important distinction as this is where the organization creates the end results and take action to create the result, we call the political model. The organizations CSV reports is large and Nestlé engage in a lot of commitments, however, it specializes rather than generalizes. As a big corporate organization and the biggest food company in the world you can argue along with Brunsson that it is not possible to be loved by a lot of people, but instead liked and tolerated by a lot. As it is described in Nestlé’s many reports, they do not influence the environment, but they accept responsibility to make change where the organization steps and draw on resources. Brunsson argues that the intentions are what leads the organization. Not only must the organization know its limits and when it is counted successful, the management behind the organization must be strong and show that the right people are in the lead.

Nestlé has provided the CSV reports with a big section called “Our People”. This section of the CSV reports describes what the organization do and how they take action in helping the organization and the people who make it drive. Also, in the start of every report, is a statement from the CEO and the Chairman of the organization. These different behaviours can be explained by the political- and action oriented models. In the report from 2015 compared to previous reports, it is quite clear that the UN Goals were adopted by the organization. Here Nestlé provides a category to explain the different commitments and goals the organization is engaged to. Until now we have described how Nestlé takes the action-model in forms of intentions and show how they create results in form of the political model. But as explained in the theory the action and political model do work well in some cases, while others suggest an organization should engage in only one of the models. However, in this case and in this section, it is shown in the CSV reports that Nestlé do take “Action” and explains their intentions highly while to some extent do not forget their political model. What the organization has endured and has created is also to be found in the reports,



but the importance of the commitments and how they intend to reach the political model in resulting the commitments do not take up as much space as the intentions of Action. However, you can argue that the adoption of UN Goals and joining the Union, is a result of “Action” and thereby a form of political result. However, results can be made from joining the specific goals so it can be a difficult jurisdiction. Also, the political model covers an organization joining several different demands at a time whereas the action model is more focused at the intention of one area of the organization at the time. Meaning, that the results of the political model creates results in various areas at the same time while the intentions of “Action” lies within more specific categories of different parts of the organization, making both the political and action oriented model of Nestlé strong, internally in the organization.

The second section analyses the **different meanings of instruments** used by Nestlé. As the two models are complementing each other and the intentions of Nestlé are meaningful in the production of result. In the section of different meanings of instrument Brunsson explains how ideologies often in organizations is set up as if organization’s only care for society and not for the organization itself. This is seen in how the organization act, for example the creating shared value Nestlé is committed to. However, in the “Political” aspect then the organization’s activities are what creates results meaning that even though Nestlé engage in a lot of action for society the results is however also for the organization. By following these instruments, the organization can show its environment that it is deeply engaged in organizational activities. This is a question you can argue to be in relation with CSR through the years; do organizations engage in CSR to really make a difference? – or is it followed by the intent of popularity and thicker pay checks? More than once it is described in Nestlé’s reporting how the action of a commitment will result in more trust from society or to show Nestlé’s engagement to the cause, however this form of jurisdiction can be argued to describe the organization not to take action solely to create shared value but also for the organization and others perception of it.

In the following the third section of theory on **rationality as illusion** will be analysed. Brunsson argues it to be “easy” for management to proclaim themselves as “Action” oriented as a concern can be that management talk only exist in order to influence action, to be noticed by Society as an organization who takes a lot of “Action”, but missing “Political” results.

Brunsson describes three conditions when it comes to control of the organization to the outside world. When Nestlé describes their shared value on top of several crisis' even within the areas of their commitments, it can be difficult to receive external acceptance for their actions and pure intentions hereof. Here you can argue for the political aspect of both UNGC back in 2001 and in UN Goals to work as a greater legitimacy and a stronger link between management and action. This is also where issues can occur if management's talk and decisions more than once contradict the organizational action. Nestlé is an organization who has found themselves in several crisis over the years. Some crisis occurs when the organization do not live up to their "Action", resulting in the "Political" part to be non-existent or lacking. Even though the "Action" part can be counted successful and the intentions of Nestlé, it is important for the organization to be in control of the situation. Implementing the 17 world goals show the importance Nestlé takes to their commitments and to take the extra mile in creating "Political" results. You can argue that Nestlé has engaged in more or less the same commitments since 2011 and joining the UN Goals has not changed their commitments much. In the report from 2016, it is shown in analysis one how a high amount of the goals is either repetition or the same goals as before the organization joined the political Union. This shows they highly advertise through the report that they are part of the SDGs, but have not changed much to it. They still engage in "Nutrition", "Health and Wellness", "Rural Development", "Human Rights and Compliance", "Our People", "Water" and "Environmental Sustainability". Some of the sections has changed as the political part has been fulfilled and instead filled with more "Action". The 17 sustainable goals are set to be accomplished by 2030 which makes room for Nestlé to engage in a lot more "Action" before the "Political" part of results has to be in place.

In the following, the fourth section of the theory on **strategy for failure** will be analysed. As previously mentioned, it is possible for an organization who engage in politics to fail and still be counted successful. Brunsson here gives his outlook into "Strategy for Failure" in his book on organizational hypocrisy. Even though Brunsson states the two models to be similar and complementing each other well, he also states that there are big differences between presenting intentions and results. A tendency we have discovered researching and analysing the CSV reports, is a lot of the "Political" results based in "Action" is placed long out in the future. Brunsson argues how it can be difficult for leaders to convince their environment

about their actions and thereby it can be difficult to actually achieve the "Action" intended. This is probably trickier with long-term goals who constantly change and adapt as stated in the first analysis. Several commitments are from previous CSV reports and commitments and thereby long-term goals, the same goes for UN's SDGs which are also considered long-term goals. This makes good sense with what Brunsson is stating, to how the intentions of an organization can be counted successful even before the commitments are met, which Nestlé can be argued to have several examples of. They present a high amount of "Action" oriented intention of data where you could argue the "Political" results to be missing from the equation. Or at least, that there is not enough of it. However, according to Brunsson he states that some organizations talk more of intentions than of results, also meaning that it can be dangerous if the intentions keep being intentions and is not carried out. As stated in the theory "the discrepancy between presentation and results may explain why people are often disconnected with the way the organization and its leadership works, even in organizations which are successful in terms of profitability and prosperity" (Brunsson 2002, 200-201). According to Brunsson, then even though Nestlé is a company of high profitability and prosperity it must not forget the link between presentation and result. Even though the organization is a big organization with a high profitability it can change if it is perceived badly by society. It can have consequences for the leaders who might appear unsuccessful. Because even though the intentions of the organization are good and counted as successful, then at some point the results must follow. This you could argue to be a form of hypocrisy when organizations engage in "Action" with no "Political" results. Another level of hypocrisy is when organizations are making intentions of "Action" but are achieving something else than what they were claiming. In the CSV reports the commitments of the organization are thoroughly described, however, as it is described when the year has ended it is possible to change the claim and with some of the action and results is placed far out in the future it makes it possible for an organization as Nestlé to seem like they are achieving more than they are, and skip the hypocrisy. However, this is in form of the SDGs adopted by Nestlé, as the organization does have a big CSR profile working towards minimizing their impact, but when further investigating it is not as impressive as at first glance.

Brunsson clearly states the importance of control, both when it comes to action or political models but also if a crisis should occur within one of the models. You can argue that the

times Nestlé has found themselves in a crisis, the organization has handled it as described and recommended by Brunsson. An example is the crisis Nestlé went through in 2014, only a year before joining the UN goals, called the Maggi scandal. Here Nestlé violated the labelling of noodles. Brunsson states, that when an organization finds themselves in a crisis, it must meet it by more hypocrisy and control, and stand by its decision. This you can argue Nestlé to have followed in the Maggi crisis. Here instead of complying, Nestlé challenged the decision resulting in a public relations quandary for its popular brand Maggi (Chandrasekhar 2015). “Nestlé’s first response was to contest the state government’s order and assure consumers that everything was alright” (Chandrasekhar 2015). This matches Brunsson’s description of how to handle a crisis. A spokesperson by Nestlé stated “We have been, and continue to be, 100% focused on resolving this situation and getting Maggi back on the shelves, and we are doing everything possible to facilitate this, which is why this is not the time to get into discussions about our communication strategy” (Chandrasekhar 2015). Nestlé is firm on their handling of the crisis and stand by their choice and present themselves as in control, they do not back down for society but protects themselves. In a time of crisis, Brunsson states the importance of more “Political” performance, both politically and in form of results. One year later, Nestlé joined the Union and adopted six of the 17 world goals. The same goes for the possibility for an organization to involve their good intentions by blaming failure on problems in production or implementation or on some practical obstacles. This was seen in the scandal of infant nutrition in form of milk when Nestlé communicated “As part of its response to that PR challenge the food giant had encountered that poor water quality and malnourished mothers were to blame for infant deaths and not its own products” (Chandrasekhar 2015). The organization blamed the surroundings of products instead of taking the blame. This you can argue to be a special way to handle a crisis, and a way and situation a lot of organizations would be blamed for, even Nestlé. But as stated “While they did handle the campaign in a very clumsy way in the beginning, they did respond positively in the medium term” (Chandrasekhar 2015). Meaning the organization got back up. As in the Maggi noodles crisis Nestlé engage deeper in “Action” by describing what they wish to do, but by remain in control.

Nestlé states that they since year 1866 has been aware of the impact they have on the world, and through their commitments work to reduce it. Even though Nestlé engage in the two

political Unions, the commitments of the company remains highly the same. The organization do mention the Union several times in the CSV-reports as stated in analysis one. The categories within the organization change, but they do not take on more goals than what is already fitting for the organization. One of the sections of Nestlé's commitments is "Compliance". In "Strategy for Failure" Brunsson argues how to handle the scenario of failure that Nestlé more than once has found themselves in. This to some extent contradicts with its section on compliance which consist of "laws, business, principles and codes of conduct". This part is for example in the report from 2011 referred to the UN global Compact and also includes "Human Rights and Labour Rights". In 2012, the CEO of Nestlé describes the responsibility of Creating Shared Value for shareholders and Society. Nestlé states to go further and beyond in order to create shared value but when comparing it to CSV reports from 2015 and after it is difficult to find. The organization has created shared value and did for example decline direct GHG emissions with 24% between 2002 and 2012, which is a gap on ten years. You cannot argue, that the organization do not take a lot of initiative and their commitments to their surroundings are high, as it should be when you take to account that it is the biggest food company in the world. When Nestlé joined the UN and adopted parts of the goals, it was inserted in their CSV report from 2015 and forward. But it did not make Nestlé take on more commitments than what they already had. When going through the organization's CSV report, it will most likely leave a lot of people stunned. Because of the well-described work of commitments to reduce their footprint on earth and their high amount of "Action" along with their description on how to help the people and the areas helping Nestlé.

Both the action and the political model are to be found in Nestlé's business model. However, as Brunsson states, one of the models is more clear or dominant than the other. We state this to be the action model as the intentions are higher than the "Political" results. A high amount of the commitments set through the goals is set to be met by 2030, which could be linked to the fact that Nestlé are succeeding more in form of intentions than results. As we question the political model in Nestlé it is actually mentioned by Brunsson how even though the organization convince their environment about its "Action" and intentions hereof it sooner or later has to create results. When it comes to the action model and intentions Brunsson uses an example of the American presidency and how presidents often promise reform in form of

intentions of “Action” but the “Political” results are modest. However, as organizations they still often are praised for the intentions they take, even though not all end in result. This is also the case with Nestlé. As the presidency you can argue Nestlé to make the CSV reports look more efficient and successful through the goals than they are. Stating that the adoption of the goals are clearly to be found in the CSV reports but the commitments are highly the same as before. To solve this form of hypocrisy Brunsson believes one must “display the action model while behaving politically”.

When it comes to **Organizational Reform** investigating Nestlé, then around the time when Nestlé joined the UNGC in 2001, only a year before joining the 17 world goals Nestlé where in a crisis described as the worst crisis in 104 years, business wise. Nestlé is an organization who has been in several firestorms over the years. It seems as if the organization is more focused on their intentions but the results are lacking. In the theory, Brunsson argues that organizations often deal with problems rather than by providing solutions. Nestlé’s CSV report gives us an outlook into what the organization has done and what they intend to do. Especially the intentions take up a lot of pages in the reports. Often after a crisis has occurred, the organization processes to reform the organization, however often the organizations do not leave this state. As when engaging more in “Action” than “Politic” and talk more about intentions but less about what they have made of results. By showing all the action Nestlé wish to take, they show how much they care about society and how much they wish to do to help minimize their own footprint.

We shortly covered the crisis part of the organization and how Nestlé has handled previous crisis’ in terms of the “Action” and “Political” theory. This provided us an outlook into how the organization act in the theory both normal and in a crisis. It also provided us the information that Nestlé went through a big crisis, in 2014, very close to the organization joining the UN goals. One could argue this to be a form of “Action” ending “Politically”. Another discovery is that in 1999 only two years before the organization joined the UNGC, the organization was issued by the ASA – The advertising standards authority. Not living up to being ethical and responsible when it came to advertise their products on infant formula. You could argue it to be alarming or interesting that the organization joined two big political

organizations a year or two after two of what is described as the biggest crisis' in the history of the organization (Robinson and Dowson 2012, 184).

Through the analysis' we have found evidence on Nestlé not changing their commitments much but do use the SDGs highly in their reports to show they support the goals. When investigating it shows the goals to be highly the same as the ones in 2011 up to 2014. Many of the same goals is inserted into different SDGs making the report and length of the commitments within each SDG look longer and larger than they are. Additionally it shows, that Nestlé prior to joining both the UNGC and adopting the SDGs were in two of the biggest crisis of the history of the organization resulting in 1999 to be sued by the ASA. We do believe that the organization has had a long and successful relation with the UNGC were the the organization was appointed LEAD company. However, we do believe that the organization through our research shows signs on Bluewashing in parts of their CSV through their relation to the UN. This also aligns well with the action-model being the more dominant model, as you could argue the "Action" or "Political" results of the UNGC would have been shown back in 2001/2002. Therefore you could argue Nestlé needing to take on other commitments when joining the SDGs in order to advertise it through their CSR profile.

## **7. Discussion**

The following section will provide an examination of our results from analysis one and analysis two with the intention of enhancing similarities and differences between the CSV reports and to identify the action and political results through the reports. Afterwards, there will be a section dedicated to the concept of Bluewashing and how Nestlé unconsciously or consciously relied on their union partnerships after several crisis'.

After carrying out the two analyses of Nestlé and their CSV reports and after investigating their relation to UN's SDGs and the principles of UNGC, we discovered several interesting points in Nestlé's CSR profile and in their communication form.

In terms of Nestlé's communication form, the organization chose to adopt the 17 world goals in 2015, and hereafter changed their reports as a result of joining the SDGs. This is not only by a statement but by using the same layout and pictures from the goals in their CSV reports. From after 2015, the structure of the CSV reports are clearly marked by the adoption of the goals and is clearly stated in the reports. The organization do not change much of their commitments after joining, and you can argue the organization to engage and adopt the goals within the already stated commitments.

Certain similarities from the CSV reports from 2011-2014 appeared in the structuring of the commitments by Nestlé. In the report of 2015, the organization states how they have chosen certain SDG's based on which ones they would be able to add value to. Just a year later, in 2016, the CSV report showed all stated commitments as a structural part of the 17 SDGs in order to enhance their full support to the initiatives. One could argue that the organization uses the SDGs as a form of certificate or stamp of professionalism and success, as the organizations do not change or adopt their commitments to the extent one could argue as necessary when being a lead company of UNGC and as large an organization as Nestlé. The previously stated commitments and long term goals can be argued to make the CSV reports look more comprehensive and extended, if the reports are not compared to previous reports or if not thoroughly read and investigated. This can be argued to lean towards the strategic approach of Bluewashing as it seems Nestlé advertises their high engagement in form of intentions of 'Action' after joining the SDGs. This makes Nestlé's CSV reports look efficient but the results of 'Politic' and further development and innovative activities after 2015 is lacking sufficiency.

Based on the theory of Brunsson, Nestlé is successful in their CSR as both the political and action models are applied within the organization but the action model in form of intentions is more dominant. In analysis two, there is an enhancement of the many commitments stated by Nestlé, which according to Brunsson would be defined as intentions within the action model.

When Nestlé entered the partnership with the union, it could be considered a political result, where Nestlé took their intentions of 'Action' and turned them into reality through the political model.



One can therefore argue the organizations CSR to be sufficient and the equal amount of political results contra 'Action' is not necessarily an issue, as Brunsson states intentions to be what leads organizations. However, intentions do not last forever and does not justify the large amount of repetition found in the CSV reports.

The concept of "Bluewashing" became relevant when companies exploited the opportunity of achieving a more blue image through the commitment to UN, and the company could receive a quality stamp simply by stating an intention.

The media has described Nestlé as corrupt at several occasions, and in their 2016 CSV report, Nestlé commits to avoid bribery and corruption. They state it has a negative effect on the company performance and their stakeholders' perspective, which shows a financial concern in this particular case. There is limited mention of the moral value of maintaining a bribery free business.

An example of how a company can use "Bluewashing" to improve their image and even repair it after a potential crisis was seen in 2015, when Nestlé declared their commitment to the SDG's in September. The same year in April, Nestlé faced one of the worst crisis ever, where they lost over US\$77 million. In India, a government referral laboratory in Kolkata reported excess lead in samples of Nestlé's Maggi Instant Noodles. The noodles commanded 63 percent share of India's Rs 5,000 crore noodle market, and with the products banned on the market by the Indian government, it naturally had massive consequences, not only financially but also in regards to Nestlé's reputation. It can be argued that the lack of trust in the company could be a motivation for Nestlé to declare their commitment to UN and their SDG's in order to repair and maintain a reputation based on morally correct values. Even though the product can be relaunched, it itself does not repair reputational damages, which is why it could be a strategic move to enhance Nestlé's political intentions and commitment to good causes through UN. In 2016, Nestlé decided to increase this focus and officially integrate the SDGs into their CSV reports. It can be argued that these acts would be considered a part of an intentional or unintentional Bluewashing strategy in order to improve the image and reputation of Nestlé. The integration of the SDGs impacted how Nestlé communicated their commitments and intentions through their CSV reports. As our analyses

would reveal, an increased focus on globally concerned issues were at present and Nestlé had several sections purely dedicated to their contributions to the world.

As previously stated, Nestlé became a member of UNGC in 2001, and the company stated the following: “Our own Corporate Business Principles incorporate the 10 UNGC Principles and we reflect the basic concepts of fairness, honesty and respect for people and the environment in our business actions” (Mabucom 2019). This is a statement that requires the company to live up to the great responsibility and commitment of UNGC. However, Nestlé has faced several lawsuits over time for child labour. Nestlé has publicly stated how they work on a global level to combat extensive issues, including child labour, however, they did face an accusation and lawsuit for child slaves in cocoa farming in the Ivory Coast.

Magdi Batato, the executive vice-president in charge of operations stated the following in a written statement: “As we’ve said consistently, forced labour and human rights abuses have no place in our supply chain,” and “Nestlé believes that by working with suppliers we can make a positive difference to the sourcing of ingredients” (The Guardian 2019). However, these statements do not change or erase the previous lawsuits that Nestlé has faced, not only once but at several occasions.

## **8. Conclusion**

The fundament of the research, method and process of writing this thesis was to answer the research question “How did the UN’s 17 Sustainable Development Goals and the 10 Principles of UNGC affect Nestle's communication of their CSR commitments?”. It was answered through a social constructivists view working through an inductive approach drawn from qualitative empirical sources. The sources was analysed by using Brunsson’s theory on ‘Political and Action-oriented’ models to where the answers and results to this thesis was found. As this study is an explanatory research design and analytical study, it backs up the findings and results for the conclusion, and is shown in the highly analytical form of results presented in the conclusion of this thesis.

When stating an organization's commitment to UN and their 17 SDGs, the organization commits to goals that have the intention of contributing to the whole world and goals that are

set for a greater cause. The UN is globally supported and well-known for their commitments and ambitious agendas with the people and the planet's best interest in mind. Therefore, the public commitment to UN and their actions will naturally affect the image of a company, in this particular case Nestlé.

When investigating the CSR profile of Nestlé through their Created Shared Values reports, it becomes clear that it is a company with multiple intentions and very ambitious reports with long-term goals. Even though the pages of the reports have decreased, they hold hundreds of pages stating their commitments and evaluating their processes. However, it can be quite tricky for the consumers and for the reader in general to get a specific overview over Nestlé's true actions within their field of intentions. Nestlé's sections "For individuals and families", "For our communities" and "For the planet" are abstract categories with goals and commitments that should create a less wide and better understanding of their actions. Furthermore, UN's 17 SDG's are very broad and abstract as well, which makes it easy for companies to latch on to one or several of the goals. This could be a strategic and conscious choice from UN's perspective in order to gain as large a support from companies worldwide as possible. Had the goals been very specific, it would be more difficult to commit to them. The responsibility would have been greater and it would be easier for the surroundings to hold the company responsible for delivering their obligations.

In analysing our data from the large food corporation, we can state that Nestlé do change their CSV after joining the UN. Due to the results drawn from the empirical data, we decided to investigate the term Bluewashing. When you take the different factors into consideration we believe to some extent to be able to claim that Nestlé are guilty in bluewashing. We base this claim on the lack of new initiatives and commitments in different fields post joining the UN and due to the suspicious joining of political unions post crisis'.

The 2015 reports showed us how Nestlé changed part of their CSV report politically after joining the 17 goals. Even though Nestlé committed to the goals we do not believe the organization has changed much rather than just advertising their commitment to the course. On the conducted research from both analyses, we believe to spot a tendency from Nestlé both from researching their engagement in UNGC from 2001 and their engagement in UN in

2015 and how the organization joined both parties only a few years after two of the biggest scandals in the history of the organization.

We believe to spot a tendency that possibly could refer to other organizations as well, but that Nestlé used joining parties of politics in order to Bluewash their company and to cover up the crisis within the organization, or at least in order to deescalate the crisis along after they handled it as described in the second analysis by Brunsson. Joining the goals provided Nestlé the opportunity to use the political field to advertise their commitments instead of just presenting them as it is.

It is important to state, that even though we set question to or criticize the lack of new thinking after joining the UN, it is clear that the organization in fact do try to minimize their impact on earth and have an impressive CSR profile. According to Brunsson's theory, we acknowledge Nestlé success in their communication of their CSR, even though their political results are lacking.

However, the missing new commitments of CSR taken after the UN could indicate the needs for a stricter criteria as to bend and insert the same goals but differently explained to make it look better. It does not seem like the organization had to do a lot of changes after joining the UN, but that it was a strategy in order to advertise their commitments better and give it a quality stamp. You could argue stricter criterias when joining the political unions should be in place in order to lawfully advertise the organizations CSV through the SDGs.

## **9. Glossary**

This section will include several words, phrases or terms used in the thesis that may or may not contribute to confusion. The glossary is created to avoid this issue.

1. Goals, SDG's, UN goals = reference to the Sustainable Development Goals by UN
2. Reputation, public acceptance, image = reference to the appearance in the eye of the public
3. Theory/model/approach - terms used in relation to the theory of Brunsson regarding the action and political model

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