

## Rev Consulting

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**Topic Title:** Feeding the Future Responsibly: AI-Driven Sustainable Innovation at Nestlé

**Audience:** Nestlé's Executive Board

### Sustainable Development Goals

SDG 12: Ensure sustainable consumption and production patterns

### Executive Summary

Nestlé operates in a global food system under increasing pressure to deliver healthier, more sustainable products while reducing waste and environmental impact. According to the United Nations, nearly one-third of all food produced, about 1.3 billion tons each year, is wasted, and for a company like Nestlé, which sells 2,000+ brands in over 180 countries with more than 340 factories, even small inefficiencies can scale into major environmental impacts. At the same time, rapidly evolving consumer preferences and regulatory expectations are reshaping how innovation must occur. Although Nestlé's has invested significantly in AI and data analytics to better understand consumer demand, these tools are primarily optimized for predicting purchasing behavior rather than guiding sustainable and responsible product development. This creates a critical strategic and ethical gap. Products that are highly demanded are not always aligned with sustainability goals, leading to overproduction, inefficient resource use, and missed opportunities to serve diverse global markets more equitably. Also, as sustainability regulations and consumer expectations around corporate responsibility and responsible AI continue to rise, this gap introduces ethical risks, including reinforcing unsustainable consumption patterns, underrepresenting certain consumer groups, and lacking transparency in AI-driven decision-making.

To address this gap, we recommend that Nestlé adopt a three-part system consisting of a sustainability-constrained AI engine, zero-waste innovation pilots, and an inclusive innovation feedback system. These initiatives would help ensure that Nestlé's product decisions are based not only on consumer demand, but also on sustainability impact and the needs of diverse global markets, while reducing waste and improving the efficiency of the innovation process. Together, these initiatives would enable Nestlé to move from demand-driven to impact-driven innovation, significantly enhancing its performance and global impact while supporting its long-term mission.