

CHAPTER V

CONCLUSION AND SUGGESTION

V.1 CONCLUSION

The urgency of climate change demands we ditch unsustainable practices like tossing outdated business models from a rapidly melting iceberg. It's no longer a distant threat, but a powerful wave already crashing upon us, bringing disasters, food and water insecurity, political turmoil, and more. Our collective carbon footprint hangs heavy, but it's not too late to slow its growth or even shrink it. Everyone has a role to play in tackling climate change, from how we produce goods to how we consume them.

The Paris Agreement, with its NDC targets, provides a roadmap for international cooperation, allowing every nation to contribute in a way that works for them. Indonesia, a vibrant tropical nation teeming with biodiversity, took a progressive step by ratifying the NDC, committing to a 29% reduction in greenhouse gas emissions compared to a business-as-usual scenario by 2030. This ambitious goal focuses on key areas like energy production and forest and land use.

Indonesia has set ambitious goals to tackle climate change, but reaching them requires a united effort. The government's environmental regulations and plans are a crucial starting point, but success hinges on collaboration across all levels. The FMCG sector, a major contributor to greenhouse gas emissions (26% globally), deforestation, and food waste, plays a particularly significant role in Indonesia, accounting for 10% of the country's emissions.

Climate change is a shared challenge, and solving it demands teamwork. Governments and businesses have a unique opportunity to combine their strengths – resources, technology, policy, and implementation – to achieve a common goal: a healthier planet. This research dives into the collaboration between the Indonesian government and Nestlé Indonesia, specifically how their individual efforts and initiatives work together to support achieving the country's climate goals (NDCs) in key sectors like FMCG.

This thesis examined Nestlé Indonesia's environmental commitment and its connection to Indonesia's national climate goals, particularly its role in FOLU Net Sink initiatives (2018-2023). Green theory provided a valuable framework for

analyzing their efforts through the lens of environmental sustainability and collaboration with stakeholders. The analysis revealed that Nestlé Indonesia has taken steps towards environmental responsibility. They have received recognition for their efforts through awards like the Green Industry Award and PROPER ratings. **However, limitations exist**, including a need for enhanced transparency and a deeper understanding of the power dynamics influencing their environmental actions.

Nestlé Indonesia's initiatives demonstrate some alignment with Indonesia's FOLU Net Sink strategy, focusing on reducing emissions and promoting sustainable land use with their climate change pillars initiatives to use renewable energy throughout the supply chain, shifting electricity to solar panels, and preserving forestry and peatland. **However, collaboration with the government and other stakeholders appears limited.** The effectiveness of FOLU Net Sink itself has limitations, such as potential for leakage and the long-term sustainability of some practices.

V.2 SUGGESTION

V.2.1 Practical Suggestion

Building on Nestlé Indonesia's current efforts and acknowledging the limitations of FOLU Net Sink, the author proposes several practical suggestions to strengthen their environmental commitment.

First, enhancing transparency is crucial. Nestlé Indonesia can publish detailed sustainability reports outlining progress on specific environmental goals and the challenges they encounter. Open communication with stakeholders, including NGOs and local communities, about their environmental initiatives will further increase transparency. Additionally, implementing robust supply chain traceability systems and clear product labeling will demonstrate the sustainability of their ingredients and production processes.

Deepening collaboration with stakeholders is another key area. Partnering with NGOs and research institutions fosters the development of innovative solutions for sustainable practices across their supply chain. Sharing best practices and lessons learned with other companies in Indonesia can promote wider adoption of sustainable practices. Strengthening community engagement through

partnerships with local communities can support sustainable forest management practices and livelihood development programs.

Finally, advocating for policy changes can significantly impact Nestlé Indonesia's environmental impact. Engaging with the Indonesian government to advocate for stricter environmental regulations and policies that incentivize sustainable practices across industries is crucial. Additionally, they can support FOLU Net Sink initiatives responsibly by ensuring projects are implemented with social and environmental safeguards in mind, prioritizing native species restoration.

By implementing these suggestions, Nestlé Indonesia can demonstrate a deeper commitment to environmental sustainability, build trust with stakeholders, and contribute more significantly to achieving Indonesia's climate goals. It's important to remember that these are just a few starting points, and further research may reveal additional practical strategies specific to Nestlé Indonesia's context.

V.2.2 Theoretical Suggestion

Green theory provides the initial framework. It highlights the importance of environmental sustainability and collaboration between these actors. We see Nestlé Indonesia taking steps towards environmental responsibility, receiving awards like the Green Industry Award. However, a closer look reveals limitations. Transparency remains a concern, and the power dynamics between these actors influence Nestlé Indonesia's environmental actions.

FOLU Net Sink enters the scene as a promising strategy for reducing emissions and promoting sustainable land use. Nestlé Indonesia seems aligned with this goal, but the effectiveness of FOLU Net Sink itself faces challenges. Potential for leakage and the long-term sustainability of some practices raise questions.

As the curtain falls, Nestlé Indonesia stands as a leader in environmental commitment. Their robust environmental practices and responsible participation in FOLU Net Sink contribute significantly to Indonesia's climate goals. This revised narrative, guided by theory, underscores the importance of collaboration, transparency, and continuous improvement for achieving a sustainable future for Nestlé Indonesia and Indonesia as a whole.