



ETHICAL SOURCING TO ENSURE SUSTAINABILITY IN THE FOOD AND BEVERAGE INDUSTRY AND ELICITING MILLENNIAL PERSPECTIVES

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Abstract:

Social responsibility, animal welfare, and environmental responsibility are essential practices in sustainably sourced products. The industry leaders in ethical sourcing and sustainable development are paving the way while the followers are lagging; how can the industry continue the upward trend in sourcing ethically and improving sustainability? Gaining brand loyalty and increase of sales while sourcing ethically and sustainably is the emphasis of this research, millennials as sample participants are projected to dominate the workforce by 2020. What are the millennials perspectives on integrating moral values to ensure ethical sourcing and sustainable development? Consumers are now more than ever aware of where products are sourced from, the treatment and living conditions of workers who grow the products, and the use of land without care of sustainability measures. The voluntary ethical sourcing can be linked to company who are moving towards caring for the environment and humanity thus ethical sourcing and maintaining the process has become essential and more especially the millennials who are the focus on this research are ferociously loyal to ethically sourced and sustainable brands.

JEL: L60, L66, L15 N5, Q13, Q50, Q56, Q58, J43 M14, M16, D23, D83

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1. Introduction

The food and beverage industry includes breweries; bottled beverages; dairy; meat and abattoirs processors; baked products; cereal and flour facilities among others; these industries integrate strategies that are motivated by consumers who embrace quality, value, availability, and diversity (Veolia, 2017). United States Census Bureau (2017) clocks the world population at 7,395,846,460 and United States population at 325,193,378; supplying ethically sourced products to the increasing population is ever challenging and industries should strategize to remain sustainable (Ellebrecht, 2016). The population is projected to increase from 9.5 to 13.3 billion by 2100 as projected by worldbank.org (see Appendix A); with projections that Africa will have the fastest growing region (see Appendix B); other following population growth occurring in countries such as India and others as shown in Appendix C; and a projected population of 400 million in Nigeria overtaking the United States as shown in Appendix D. To serve the increasing population the food and beverage industries have sought global sourcing to remain competitive and remain sustainable (Akkinepalli, 2012). Global sourcing has become prevalent and consumers are now aware of what takes place in procurement of products (Kotabe, 1998) consumers won't hold back retaliating in form of public demonstration, product boycotts, and even negative reviews online to deter other consumers from making future purchases.

Ethical sourcing entails the procedure of ensuring that the procured products are attained in ethically and sustainably from making sure that all workers involved in the process aren't mistreated and the actions taken are environmental friendly (Lupo, 2015, March 31; Mcavoy, 2016). Market leaders are taking steps to respond to consumers demand for ethically sourced products and unlike in the past where such practices were not publicized yet today all efforts taken are proudly announced to the public (Burrows, 2015). The industries source ethically to meet 3 important elements that include increase sales and gain brand loyalty, minimizing operation cost, and mitigation of risk (Mcavoy, 2016). Such industries' tread carefully and should take extra steps in their evaluation and tracking suppliers to ensure the procurement process is ethical (Akkinepalli, 2012).

Unethical sourcing is a topic that gets consumers all wired out; but are consumers willing to pay high prices for ethically sourced products? Consumers have a soft heart for ethically sourced products, would remain loyal to the respective companies, and some aren't willing to pay extra (Lupo, 2015; Mcavoy (2016). The production and sale of goods today is being shaped by ethical sourcing and does have an impact on consumers' purchases; thus, ethics and sustainable development have a

direct correlation to improved brand image and cost reduction (Lupo, 2015; Mcavoy, 2016). Gaining brand loyalty and increase of sales while sourcing ethically and sustainably is the emphasis of this research; sourcing ethically comes with the challenge of increased cost and a hefty price tag for the consumer; research shows that 81% consumers are willing to make purchases from industries at embody ethics and sustainability and 98% consumers noted sustainability was important (Burrows, 2015; Schug, 2016).

CNN reported that environment and social costs are at ultimate high as industries rely on reaping enormous profits while utilizing cheap labor and land especially in global platforms (Kottasova, 2014). Ethical sourcing and sustainability are core to brand loyalty (Burrows, 2015); Industry leaders in ethical sourcing and sustainability include Heineken, Starbucks, C & S Whole Grocers; CNN reported Coca-Cola, Nestle, Unilever; Jordan cereals; Twinings (Kottasova, 2014). The industry leaders in ethical sourcing and sustainable development are paving the way while the followers are lagging; how can the industry continue the upward trend in sourcing ethically and improving sustainability? Millennials are projected to dominate the workforce by 2020 (Hyder, 2016); what are the millennials perspectives on integrating moral values to ensure ethical sourcing and sustainable development?

2. Literature Analysis

2.1 Starbucks Sustainability Efforts

The commitment to become a sustainable industry is essential in making a positive impact in our communities; Starbucks sources products that include tea, coffee, cocoa, and manufactured goods thus has taken on addressing ethical sourcing and sustainability on full force. Starbucks prides itself with ethically sourcing their products all the way to the farmers who are responsible for growing their products (Starbucks, 2017). The efforts to source ethically is correlated to ensuring that the people and communities around the world that produce or supply the products live better and can be sustainable; Starbucks has vowed to work diligently to ethically source by 2020 in all their procured products (Starbucks, 2016). The move to work directly with farmers was accomplished by Starbucks investments to the local communities by integrating innovation, technology, and investment directly to the communities (Starbucks, 2017). The investments included Starbucks donations to coffee farmers in the amount of 25 million in September 2015; 20 million by 2016; 100 million coffee trees by 2025; \$50 million to finance coffee farmers; and providing global knowledge by 2020 in form of training 200,000 farmers (Starbucks, 2017).

2.2 Pepsico Ethical Sourcing

Pepsico understands that the success of their business is directly related to staying ethical and sourcing responsibly from the farmers that grow the raw materials to suppliers; the dependability of the suppliers help Pepsico meet consumer and stakeholder expectations (Pepsico, 2017). There is a clear understanding of the challenges that come along with global sourcing; to prevail the challenges Pepsico integrated standards for their supplier documented in the PeopsiCo Supplier Code of Conduct (SCoC) (Pepsico, 2017). The SCoC documents clear standards of conducting business ethically; protecting Pepsico reputation; protection of the social aspects and the environment; building and maintaining supplier capability; and promoting sustainable development (Pepsico, 2017).

SCoC documents Pepsico strategy to include mitigation to identify noncompliance by conducting audits; use of Supplier Ethical Data Exchange (SEDEX) to measure and assess supplier audits; being trained to understand SCoC; and suppliers being held accountable through Global Procurement Contract Management Policy (Pepsico, 2017). The ethical sourcing and sustainable development at Pepsi is taken seriously and is transparent in risk management and evaluation; diversifying the suppliers; involvement in supplier outreach both socially and environmentally; and dedication to use sustainable certified ingredients that include coconut, palm oil, sugarcane, and, pineapples among others (Pepsico, 2017). To tackle sustainability challenges; PepsiCo promised to address public health, water scarcity, and climate change (Confino, 2014).

2.3 Coca-Cola a Global Leader in Ethical Sourcing

Coca-Cola prides itself in being a global leader in ensuring that their products are sourced ethically; they are committed to positive workplace practices that include labor force, environmental protection, and human rights (Coca-Cola, 2017). Some highlights accomplished by Coca-Cola include collaboration with over 17,500 assessments with workers by partnering with suppliers; integration of programs that update and shed light on human rights and work with suppliers to meet set requirements (Coca-Cola, 2017). To uphold ethical sourcing, the suppliers are given time to integrate corrective actions and advised that Coca-Cola could terminate their agreement if they don't uphold their standards (Coca-Cola, 2017).

Sustainable development is held to higher standards starting with empowering women around the world this includes partnership with Dole in the Philippines; Coca-Cola stands behind sustainability and has improved water usage by 20% (Coca-Cola 2017; Confino, 2014). The use of sustainable packaging that is attained by the innovative

ideas to increase sustainability; increase of greenhouse gas emissions to be environmental friendly; and inspiration of happier and healthy lives by offering training (Coca-Cola, 2017). Ethical sourcing is correlated to how workers are treated and Coca-Cola takes measures to ensure that all workers in all sourcing partnership are treated fairly with emphasis on sustainable agriculture (Coca-Cola, 2017).

Ethical sourcing and sustainability aren't a one-time fix but a long-term commitment; Oxifam reported on February 2013 that Coca-Cola was failing in meeting their South African workers' requirements and should be held liable in setting up practices to help fix the broken system (Evening Standard, 2013). Coca-Cola took measures and continues to update their business models to ensure they hold true to their business practices of being transparent as they address global challenges (Evening Standard, 2013). Coca-Cola sustainable developments continue to include efforts to work sustainably with over 250 bottling partners in over 200 countries; emphasis on well-being by marketing responsibly; empowering over 5 million women globally; achievement of 98% human rights compliance; giving back to communities; water stewardship; sustainable packaging; climate control; and sustainable agriculture (Coca-Cola, 2017).

2.4 General Mills and Ethics in Sourcing

The ethics behind General Mills are led by a compliance and risk officer who ensure that workers are following the code of conduct; are trained on the standards; monitor to ensure workers are behaving ethically; and commitment to long-term ethical conduct (General Mills, 2017). General Mills sustainable sourcing in agriculture is tied to partnering with third party of commodities that include corn, wheat, and oats (Confino, 2014). The vow to ethical sourcing includes compliance with local government where they are conducting business; expectation of all suppliers to disclose the origin of their service and products; holding subcontractors, temporary, and seasonal workers accountable to the code of conduct (General Mills, 2017). Anti-retaliation is part of ethical conduct; to source sustainably workers are treated respectfully and good faith worker aren't retaliated against (General Mills, 2017).

General Mills sustainable sourcing is also tied to conducting business with integrity thus corruption isn't accepted or tolerated; suppliers are expected to adhere to General Mills code of conduct and U.S Foreign Corruptions Practice Act (General Mills, 2017). Protection of the environment is essential; the measures include complying with local and global environment laws to reduce environmental footprints; product quality and safety is also essential with an expectation for suppliers to provide products that meet national and local laws (General Mills, 2017). Healthy, safe, and clean working

environments are part of General Mills requirements for all suppliers; these measures are the responsibility of the supplier and training is required to reinforce positive practices with workers encouraged to report unsafe working conditions (General Mills, 2017).

The efforts of ethical sourcing can also be traced to working hours and overtime pay that is acceptable by law; wages and benefits that are following legal age minimum standards (General Mills, 2017). Audits of suppliers occur to ensure child labor enforcements of not employing minors including prevention of hazardous environments for minors; minors working at night or missing schooling are adhered to (General Mills, 2017). The treatment of employees with respect is upheld in the anti-discrimination and fair treatment code; each supplier is required to adhere to General Mills code of conduct that ensures no harassment or discrimination (General Mills 2017). Sustainability takes account the welfare of workers; all suppliers are held accountable to the freedom of association and allowance of employees to collectively bargain (General Mills, 2017).

2.5 WhiteWave Foods Ethical Sourcing

WhiteWave Foods ethical sourcing and sustainability development was at 52% on waste reduction; their commitment to sustainability is embodied in their mission to drive positive changes by concisely stated sustainability strategy (Schug, 2016). WhiteWaves strategy has 3 pillars entailing cultivation of responsive food system that improves agriculture by innovation and investment for efficiency; illumination of options that embody openness, transparency, integrity to meet consumer changing habits; and empowering workers while inspiring engagement in sustainable measures within communities, culture, and company (Schug, 2016). Similarly, Smithfield Foods sustainability development stands on 5 pillars that include food safety and quality; animal care; environment; helping people; and communities (Schug, 2016). Smithfield's 2015 sustainability report detailed achievements in the use of animal antibiotics, ingredient glossary establishment, and minimization of the use in natural resources all benefiting ethical sourcing (Schug, 2016). The ethical efforts by Smithfield also include animal care with logs documenting procedures for proper treatment; the efforts were set forth to build relationships and improve reputation with consumers and partners and helping in animal production levels (Schug, 2016). Smithfield reorganization for companies to be under one umbrella was an effort to be sustainable; the efforts were to improve customer service, reduction of carbon footprints, lowering operation cost, and reduction in complexity in optimizing logistics (Schug, 2016).

2.6 Ethical Sourcing Commitment by Musco Family Olive Co.

Musco Family Olive Co. in Tracy, CA earned global accredited certification for their commitment to ethical sourcing and being responsible in farm to fork and food production; the diligent efforts are in the auditing of supply chains; social management processes; human resource practices; management systems; and employee health among others (Schug, 2016). Musco Family Olive Co sustainability programs efforts also include utilities usage; water scarcity; farm no-kill policy; zero-waste landfill; and innovative agriculture practices; practices are made possible with effective communication with purchasing workers in the field who scrutinize to ensure selected suppliers are transparent, comply, and are committed to ethical sourcing (Schug, 2016).

2.7 Sourcing Ethically by Campbell Soup

Campbell Soup has made commitment to source ethically and sustainably for their ingredients to enhance their quality and brands while working with suppliers that are in close association with standards associated with responsible sourcing (Campbell, 2017). The elements that are critical to ethical sourcing and are embodied by Campbell include accountability in the sourcing practices; building and maintaining relations with suppliers; minimizing the negative impact to the environment; reduction in social reputations; monitor financial risks; and ensure sustainable development (Campbell, 2017). Campbell is dedicated to ethical sourcing and sustainability by documented in their strategies that include performance management; setting higher expectations; understanding and the management of risk; and the engagement of their suppliers (Campbell, 2017).

Supply chain in the food and beverage industry is complex; to ensure the continuance of sustainable sourcing Campbell partnered with its suppliers to ensure they understand what elements are important and should be addressed. The collaboration with suppliers happens within the Supplier Relationship Management (SRM) program that works on enhancing idea exchanges with communication among selected suppliers (Campbell, 2017). Ethical sourcing at Campbell is transparent as the best practice procedures are benchmarked and documented and addressing the responsible and ethical sourcing with good bonding relationships for mutual gain (Campbell, 2017). The efforts put forward by Campbell are also evident in the sourcing of palm oil sustainably while setting targets to minimize deforestation by 2020; performance of risk assessments to ensure human rights in their global agriculture suppliers aren't infringed; dedication to human animal treatment with elimination of pigs' gestation crates by 2022 and cage free eggs by 2025; and diversity suppliers to women and minority owned businesses (Campbell, 2017).

2.8 Smart Choices by Heineken in Sourcing Ethically

Heineken with 160 breweries in over 70 countries runs just behind Anheuser-Busch and SABMiller; company uses tons of energy and raw materials that include hops and barley in the amounts of 80-90% sourced globally (Amirtha, 2015). Ethical sourcing is part of Heinekens priorities with set milestone that include 50% ethical sourcing of raw materials; change of the Africa suppliers that are at 60% to local growers (Ecovadis, 2017; Hieneken, 2017). Ethical sourcing procedures include signing of the code of conduct; completion of risk analysis; monitoring of selected suppliers; and third party conduction of audits (Amirtha, 2015). Sustainable sourcing is documented in strategies that include the partnership with UN Industrial Development Organization; Heinekens progress includes sustainably using water and energy with savings totaling \$84 million over a six-year period; progress in saving water can be documented in the 3.9 to 3.5 of water liter per liter and reduction in CO2 emission by 30% (Amirtha, 2015).

2.9 Chocolate Sourcing and Chipotle Sourcing Practices

Chocolate is a leading industry in cocoa sourcing with a value of \$110 billion a year (Torre & Jones, 2014); the unethical conduct of child labor, trafficking, and abuse were found in Nestle as reported by Fair Labor Association (FLA) for violating supplier codes (Andrei, 2017). Nestle has vowed to source responsibly by following their guidelines of being traceable and transparent within their supplier chains adhering to the Responsible Sourcing Guidelines (Nestle, 2017). Ethical sourcing is monitored by Nestle and suppliers are expected to follow sourcing guidelines, supplier audits are completed and corrective actions are integrated to ensure compliance and sustainability (Nestle, 2017). Similarity, other companies that have partaken in efforts towards ethical sourcing include Chipotle Mexican in the sourcing of pork after the supplier didn't meet the animal welfare standards; the industry took their core principle of commitment to respect for animals and discontinued serving pork (Lupo, 2015). The United Kingdom ethical sourcing can be experienced from the Ethical Fruit Company Ltd that purchases from local farmers not from large agents; the key strategy is maintaining relations with the growers; offering advice and training on effective programs to integrate as they produce fruit products for United Kingdom consumers (The Ethical Fruit Company, 2011).

3. Method

3.1 Purpose and Procedure

Consumers have the purchasing power and in today's market consumers' attitudes have changed and are now sensitive to unethically sourced products thus impacting industry performance (Confino & Muminova, 2011; Fletcher, 2006). Consumers are exerting pressure on industries to source ethically to ensure sustainable development; activists are also on the vengeance of ensuring that industries aren't unethical in their sourcing (Harbert, 2016; Lupo, 2015). Negative news about unethical sourcing spreads fast in our technologically advanced platforms, the news damages the industries' reputation, performance, and sustainability; are the industries worried about the disadvantages of sourcing unethically?

The industry leaders in ethical sourcing and sustainable development are paving the way while the followers are lagging; how can the industry continue the upward trend in sourcing ethically and improving sustainability? Millennials are projected to dominate the workforce by 2020 (Hyder, 2016); what are the millennials perspectives on integrating moral values to ensure ethical sourcing and sustainable development? The research focused on interviewing a sample participants within the age range of 18 – 35 with the interview questions listed in Appendix E. The use of qualitative case study instead of quantitative or mixed method was appropriate to elicit millennial views on ethical sourcing practices as the qualitative method relies on the observations and interviews of participants and grouping data into conceptual categories (Rich & Ginsburg, 1999; Tari, 2011). Additionally, the selection of the qualitative case study was to allow the exploration of sourcing by eliciting millennial participant views and experience using interview questions listed in Appendix E (Barratt, Choi, & Li, 2011; Hammer, 2011). The sample size was 92 millennials from New Jersey and New York that willingly consented to participate in the research of which 32 partook in the interview and 60 completed the survey with the same questions; the participants who completed the survey were not willing to be engaged in the interviews. The collected data that was coded as IES1 to IES92 for the participants was cleaned up and analyzed with the use of NVivo 11.

4. Research Results

Interview question 1: Food and beverage industries source products worldwide; how important is ethical sourcing to you as you decide or make your purchases? Study results from participants were conclusive that ethical sourcing was essential and would

play a role in buying decisions. Participant IES12 shared *“ethical sourcing is important to me because it shows how the company cares about others externally as well as others internally; it shows who the true person behind the business is.”* Participant IES28 shared *“ethical sourcing is important to keep a company’s image; however, the sourcing itself is extremely hard to be conflict free.”* Participant IES31 shared *“if a company has a bad reputation, I will typically stop using their products; I care about the behavior of how a company treats its employees.”* Participant IES49 shared *“food and beverage industries should be ethical because when we as customers buy food and beverage we do not want to be lied to about what ingredients and what is in the food and beverage; if the food or beverage has a bad reputation people will not buy their products anymore.”* IES52 shared *“a lot of big companies like Hersey use child labor to produce their products in order to get a greater benefit; but it’s not legal and child labor really impacts their lives, so I will never buy any products from companies that use child labor.”* Participant IES81 shared *“food and beverage are necessity of daily basis; so even if the industry is ethical or not, I wouldn’t change my decision of buying a certain type of product; maybe I will change a decision if I don’t know what type of ingredient they use.”*

Hundred percent of sample size shared that it mattered how and where their food was sourced from with a key emphasis by the millennial participants that care how the products are sourced being troubled by child labor, low wages, and working conditions. These core elements were troubling to millennials and research shows that millennials would spend time researching and shopping for sustainable sourced products to ensure the wellbeing of all humanity despite the cost of items they purchase (Bain, 2017). There exists relevance of millennials research results with existing documented findings in article by Escobar (2016) that documented that the general population does embrace animal welfare, social, and environmental responsibility make choice of what to buy based on ethical sourcing for the specific company (Escobar, 2016; Kibert, Thiele, Peterson, & Monroe, 2009).

Interview question 2: How can the industry continue the upward trend in sourcing ethically and improving sustainability? Participant results detailed elements that industries can integrate to improve ethical sourcing among to include participant IES37 sharing *“they can always continue to stay above the minimum wage; also they can afford to pay employees healthcare bills, and in addition, the company can pay for the employees’ children education and bills.”* Participant IES49 shared *“I believe that the best way to improve the sourcing is by letting the market improve its own quality; for example a few years ago China average salary was low but these days the average salary has increased.”* Participant IES61 shared *“constantly being updated on how employees are treated, if they can manage paying for everyday products, and if they can pay for medical help.”* Participant IES74 shared *“the industry can continue the upward trend by being ethical ever since they release their company;*

they should also treat their workers with respect.” Other participants shared similar results with IES81 sharing that *“because the company will win the support by customers if they have a good ethic; the customers will trust them by buying their products.”* Participant IES92 shared *“an industry can continue its upward trend by publishing all its company information on the internet or any public source.”* The elements that are shared with millennials should be core to ethical sourcing should entail ingredients that are traceable, socially responsibility in partnerships, and growing practices that are sustainable (Escobar, 2016; Zapp, 2016).

Interview question 3: Ethical sourcing is voluntary; should the government set regulations and push for ethical sourcing for sustainable development? Eighty percent of the participants agreed that the government should be involved to push for ethical sourcing; but 20% of the millennial participants shared that the government involvement would only hinder not encourage ethical sourcing as ethics isn't a law to be followed. Participant IES36 shared *“I think the government should push for ethical sourcing as all the company across the United States should behave and execute ethically.”* Participant IES40 shared *“I do not believe the government should regulate; given less regulation improves the quality of life and reduces unemployment; places like Nordic countries (Denmark, Iceland, Finland, Sweden, and Norway among others) are one of the best places to live given the long free market period.”* Participant IES51 shared *“yes, the government should set regulations because it is very easy for companies to neglect the responsibilities of taking care of the workers.”* Participant IES58 shared *“yes, I think the government should be involved because treating workers with respect and with correct treatment is important.”* Participant IES62 shared *“no, because ethics isn't a thing that everybody must follow, but they should do. If they are making money in a bad way but its legal then all we can do is stop buying it,”* and participant IES77 shared *“the government should set those types of regulations to minimize unethical sourcing.”* Participants agreement that businesses would be sustainable when they source responsibly; ethical sourcing should be practiced by all industries not left on at current business model of industries practicing ethical sourcing on a voluntarily basis (Escobar, 2016; Glass, Achour, Parry & Nicholson, 2012).

Interview question 4: What are some challenges that are faced in industries especially when it comes to sourcing ethically and sustainably? There exists challenge in ethical sourcing as industries don't have direct access to control labor standards outside the United States. Researcher's findings detailed the challenges encountered in the food and beverage industries as shared by sample participants and some that are directly correlated to ethical sourcing and sustainable development. The participant feedback that included IES19 sharing *“some challenges such as paying workers a desirable salary will contribute to companies losing money from paying them too much; you have to spend money in*

separate parts of the supply chain, this could contribute to unethical conduct thus creating a struggle." Participant IES36 shared "challenges include finding conflict free regions in resource rich countries," and participant IES47 shared "if a company is known to be unethical and treat workers poorly; it can negatively impact a business." Participant IES54 shared "some challenges are competition with other similar companies in the market," and participant IES59 shared "it will probably cost more to produce if a company has really good ethics, because they are using better materials. Participant IES86 shared that "other challenges could include showing the real receivable income and if they need to pollute to produce their products."

Challenges ethical sourcing are evident in chocolate which is a leading industry in cocoa sourcing with a value of \$110 billion a year (Torre & Jones, 2014); Hershey regulatory VP Hugo Gutierrez shared the challenge of sourcing ethically and sustainable development to include elasticity in consumer trends and Hershey should tread quickly as the disruptive innovation is the way of conducting business today (Gutierrez, 2016; Lupo, 2015). Chapul Cricket Bars CEO Pat Crowley addressed the challenge in the reliance of organic products in global sourcing; similarly, Tyson Foods Senior VP Rick Roop shared that building trust and preserving relationships and locating suppliers who respect safety and industry culture was their challenge (Hennessy, 2014; Lupo, 2015). The Acheson Group David Acheson Presidents shared challenges in global sourcing to include confidence, resources to check for risks, and locate suppliers who control risks (Acheson Group, 2016; Lupo, 2015).

Interview question 5: As a millennial who will dominate the workforce by 2020, what efforts would you integrate to ensure ethical sourcing and sustainable development? Participant IES05 shared "I would ensure that the managers tell the workers that they have breaks throughout the day and the hours they work are not exceeding set limits." Participant IES16 shared "there are private corporations that can be hired to ensure the supply chains are ethical;" and participant IES49 shared "the CEO should make sure that everyone in the company work together and respectfully." Participant IES66 shared "I would ensure workers and all the company to work ethically," and participant IES74 shared "I would request monthly reports of treatment towards employees and have employees take annual survey on working conditions and take complaints for workers." Participant IES89 shared "I think if we are using ethical sources, we must let our customers know that because otherwise there is no point to do that; and by letting our customers know that, we can attract more people to purchase our company products." Participants results were in accordance that persistence in supplier transparency will minimize unsustainable food products and improve supplier relationships among industries; example UK (Allen & Kovach, 2000; Tuppen, 2013). Efforts to improve ethical sourcing should include taking time to ask probing questions;

the constant inquires would prompt suppliers to improve their efforts in sourcing to suit industry standards; partnering with neighboring industries who also source ethically and sustainably would lower cost (Maloni & Brown, 2006; Tuppen, 2013).

5. Limitations

Consumers today want the reassurance that food and beverage items meet environmental and social responsibility; in a survey of 1,140 participants' findings confirmed that 65% consumers would purchase ethically sourced products even though the price tag was hefty (Lupo, 2015). On the other hand, ethical sourcing can lead to higher costs in labor and supplies thus leading to a hefty price tags for consumers (Lupo, 2015). Fortune projected that millennials will dominate the workforce by 2020 (Hyder, 2015); what are millennials perspectives on ethical sourcing in food and beverage industries? The research was limited to a sample size of 92 millennials ages 18-34 to gauge their views on the importance of ethical sourcing, challenges, and how to source sustainably. The sample size limitation to 92 participants could contribute to study biases; the sample size was small as that was the number of millennials who willingly consented to partake in the research. The data collection was also limited to interviews to those who agreed to provide extra time while others limited their time to completing and returning the survey. The participants were limited to millennials located in the Northern New Jersey and New York region who were willing to participate in the survey.

6. Conclusion / Discussions

Sustainable ethical sourcing is essential in our world today and should be on everyone's agenda including our food and beverage industries; taking charge to improve water scarcity and climate changes requires concise strategic guides that motivate to guide industry actions and drive attainable goals (Schug, 2016). Participant's results confirmed that they cared where and how their products were sourced. The key essential elements that motivates industries to ensure their practices are socially and environmentally responsible include participants highlighted elements that include consumers' choice; purchasing power; competitive industry; gaining return on investment; and being sustainable. In our technology infused era, consumers have upper hand of purchasing; consumers have an ease of access to internet on their smart devices to learn on product sourcing. The fact is that consumers are now more than ever aware of where products are sourced from, the treatment and living conditions of

workers who grow the products, and the use of land without care of sustainability measures (Escobar, 2016; Zapp, 2016).

Ethical sourcing is voluntary and we see more and more ethical industries leading the way by integrating efforts to ensure that they source sustainably to appeal to consumers even without the government setting stringent regulations. The voluntary ethical sourcing can be linked to companies that are moving towards caring for the environment and humanity thus ethical sourcing and maintaining the process has become essential and more especially the millennials who are focus on this research are ferociously loyal to ethically sourced and sustainable brands (Escobar, 2016). Participant's findings noted that the government involvement in setting regulations would ensure that the industry followers and those industries that don't attempt to source sustainably get the push they deserve to integrate ethical sourcing practices for sustainable development.

Industries can continue the upward trend in sourcing ethically and improving sustainability by integrating better ethical sourcing practices and taking the critical dialogues provided by organizations that monitor sustainable sourcing. The dialogues that can be beneficial to industries include Chartered Institute of Purchasing & Supply (CIPS) that ensures that the sourcing from global platforms is done ethically and respectfully following international requirements and addresses human rights and criminal conduct accordingly (Mccavoy, 2016). Safe Quality Food (SQF) Ethical Sourcing certification has the responsibility of ensuring that food suppliers adhere to the food and beverage industries environmental and social requirements that entail pollution; air emission management; occupational health and safety; wages compliance; and child labor restrictions (Escobar, 2016). Another organizations that can help in the upward trend in ethical sourcing to improve sustainability include the International development group Oxfam encourages industries to embrace climate change and workers' rights to ensure sustainability; Oxfam's initiatives include water and climate sustainability, women rights, farmers land and rights, and transparency (Kottasova, 2014; Schug, 2016).

Millennials are heavily involved on social media platforms; the efforts to take into consideration to ensure continuity in ethical sourcing and sustainable development would include using social media as platforms to create awareness on industry negative publicity instead of hiding from their mistakes. For example, CNN reported findings from Oxfam that documented consumers sending 400,000 pleads on social media and posters requesting that industry leaders take measures to source ethically (Kottasova, 2014). Additionally, industries can utilize social media platforms to share their best practices and strategies to address sustainable sourcing. For instance, Oxfam

documentation of industry leaders in ethical sourcing and sustainable development included Jordan cereals; Twinning; Coca-Cola; Unilever; and Nestle to women wrights, poverty, hunger, land grabs, and climate change (Kottasova, 2014).

Industries face challenges as they source domestically and globally with the help of the available resources such as Sustainable Restaurant Association (SRA). The United Kingdom takes measures to ensure that hotels and restaurants are sourcing sustainably with 70% of consumers who would to make purchases in sustainable restaurants (Tuppen; 2013). There are benefits of using dialogue from SRA; as the resources from SRA focuses on locating ethical suppliers, providing training, auditing, and effecting communication in the sourcing process (Tuppen, 2013). Similarly, to source ethically the United States has Green Restaurant Association (GRA) a consultancy program to ensure that restaurants are sourcing ethically by providing services to endorse programs that embrace environmental sustainability (Tuppen, 2013).

Fortune Magazine projection of millennials dominating the workforce by 2020 (Hyder, 2016); with evident calamities in our domestic and global platforms that how will the millennials tackle problems that occur and set up strategies to ensure ethical sourcing? For the case of water scarcity; United Nations reported water scarcity to be a problem for one-fifth of the world population while a quarter of the population facing water shortage (Schug, 2016). To address the challenges the industry followers can follow the lead of industry leaders like Coca-Cola that ranked top in sustainability by working to improve women rights; Nestle ranked top in relation to water usage and climate change; Unilever brand associated with Lipton and Ben & Jerry ranked top in supporting small-scale farmers (Kottasova, 2014). Additionally, to ensure continuity of ethical sourcing retailers can also take measures to communicate the sustainable ethical sources practices on packages to education consumers and consumers can support ethically sourced product regardless.

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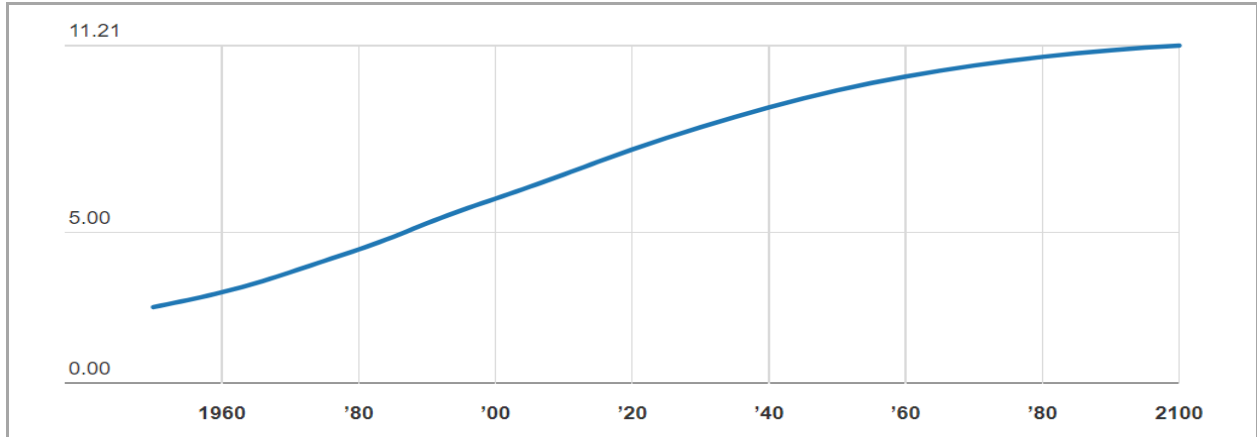
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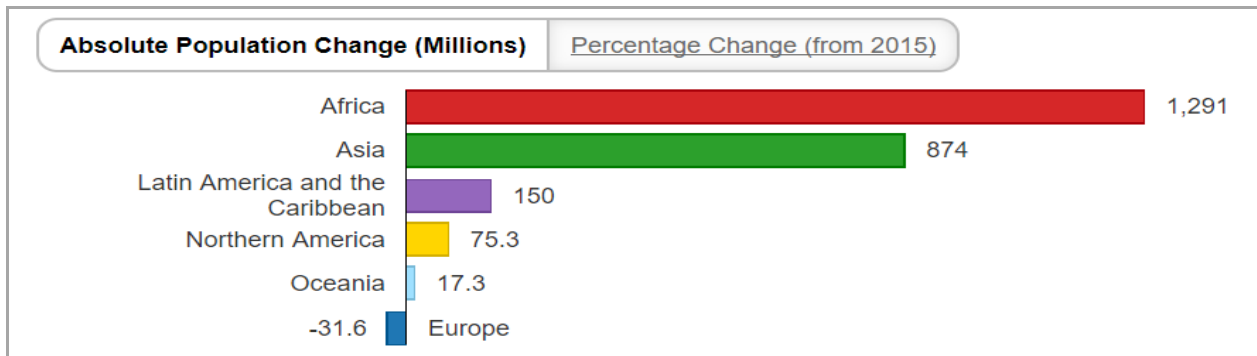
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Appendix A: World Population and Projection to 2100 (Billions)



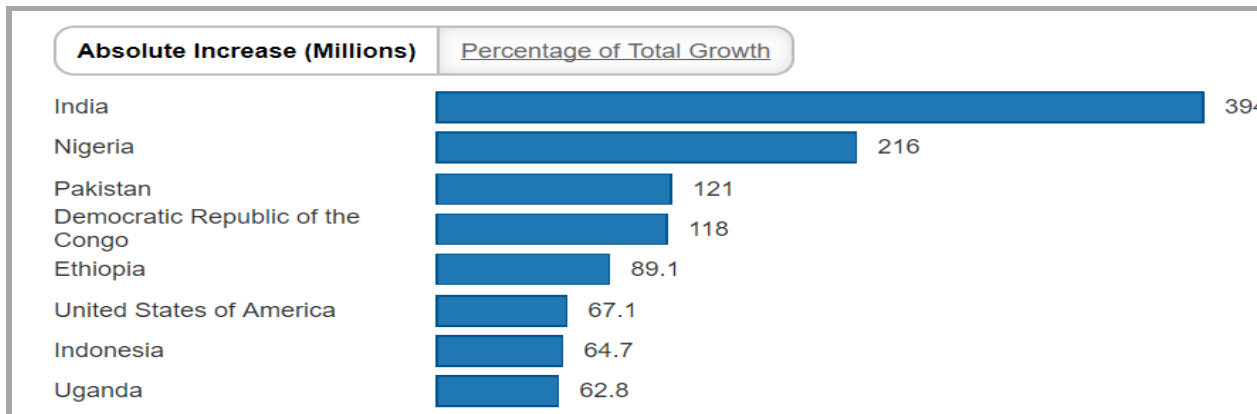
Source: Worldbank.org (2015)

Appendix B: Regional Population Change (2015 – 2015)



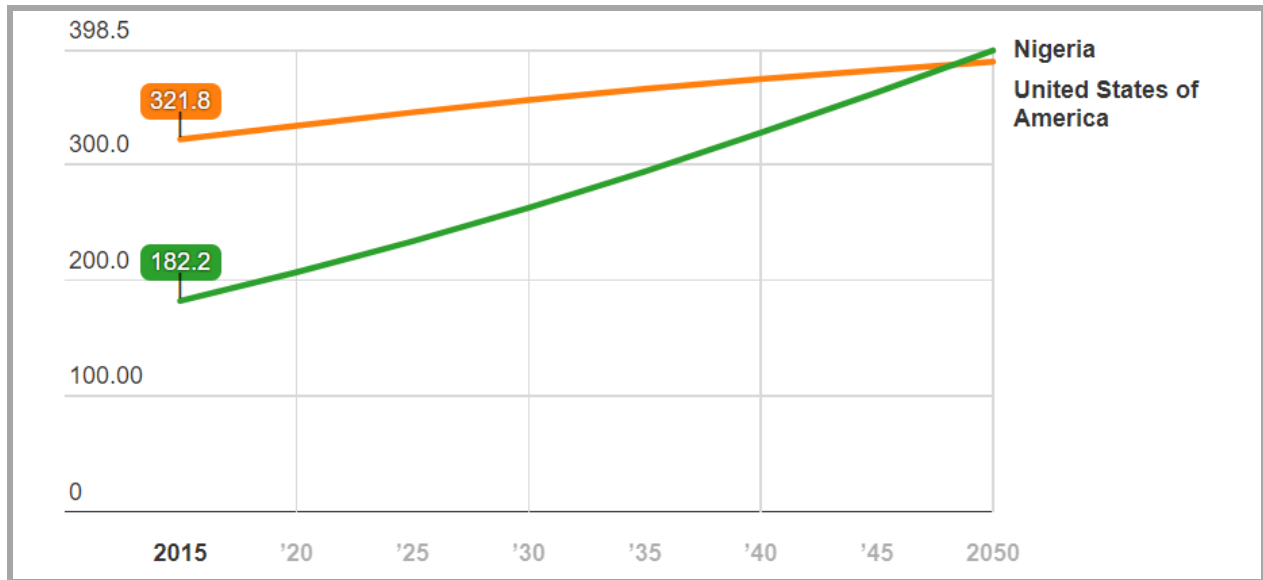
Source: Worldbank.org (2015)

Appendix C: Population Growth between 2015 and 2050



Source: Worldbank.org (2015)

Appendix D: Projected Population of Nigeria and the United States (Millions)



Source: Worldbank.org (2015)

Appendix E: Interview Questions

1. Food and beverage industries source products worldwide; how important is ethical sourcing to you as you decide or make your purchases?
2. How can the industry continue the upward trend in sourcing ethically and improving sustainability?
3. Ethical sourcing is voluntary; should the government set regulations and push for ethical sourcing for sustainable development?
4. What are some challenges that are faced in industries especially when it comes to sourcing ethically and sustainably?
5. As a millennial who will dominate the workforce by 2020; what efforts would you integrate to ensure ethical sourcing and sustainable development?

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