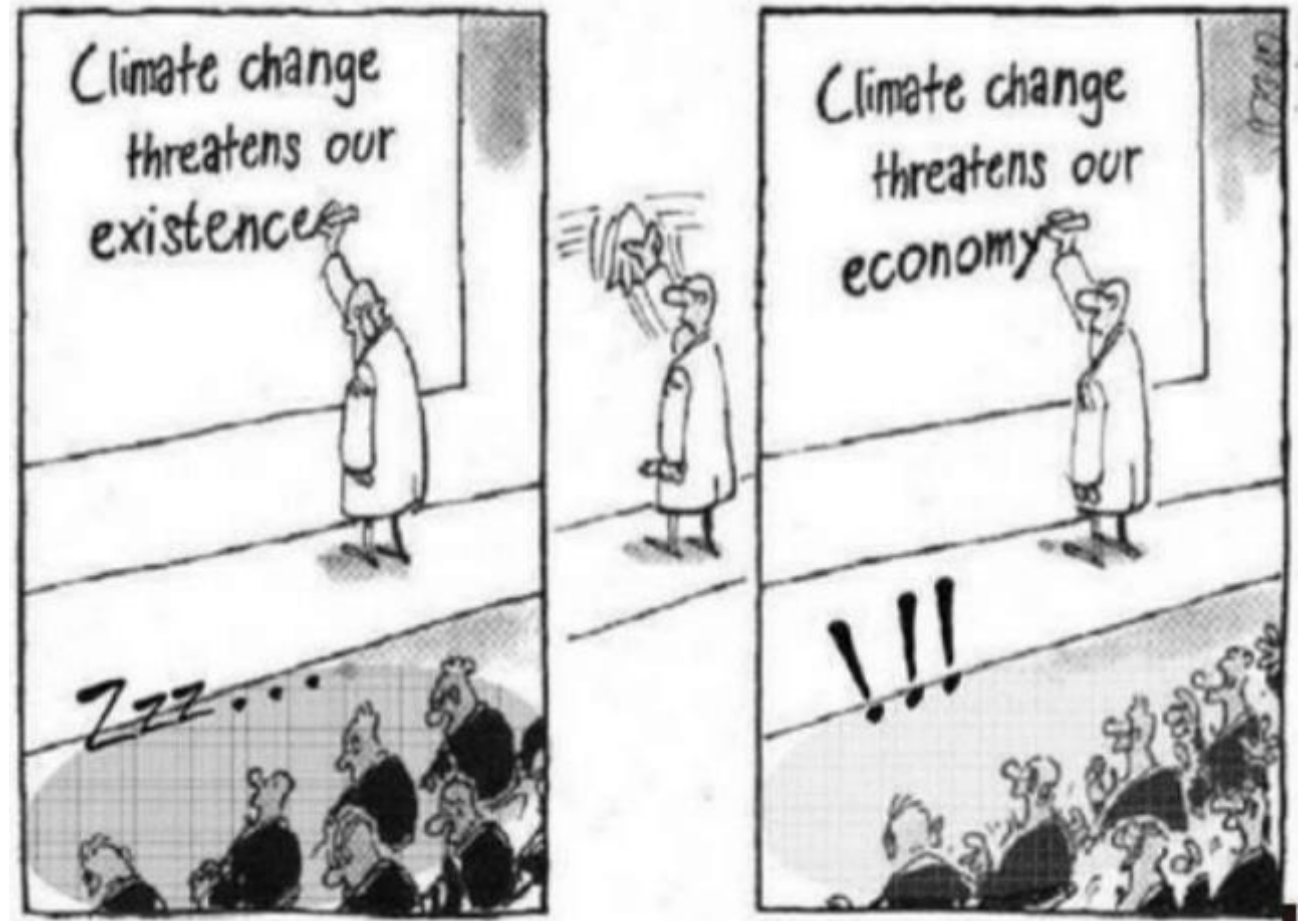




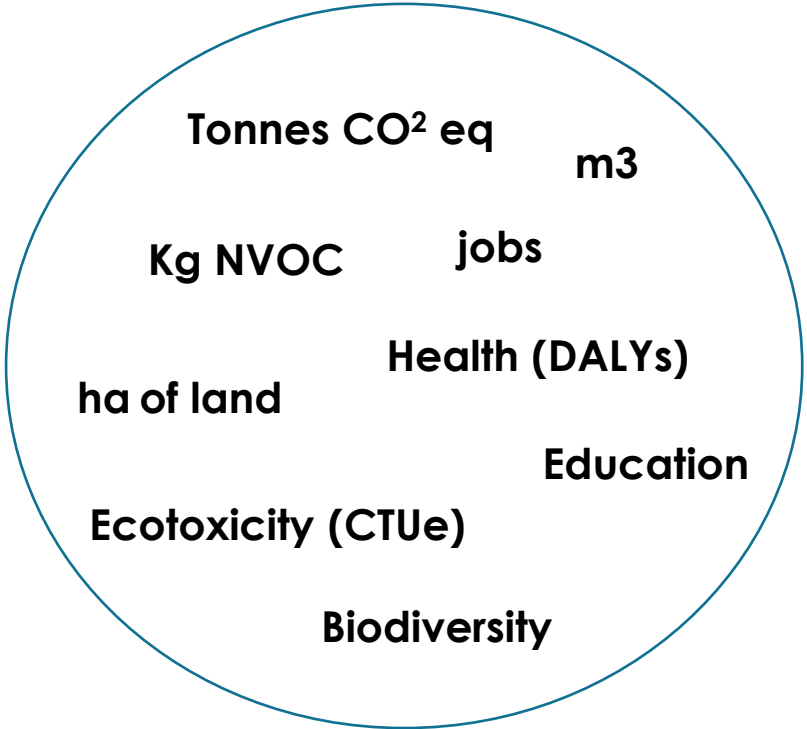
Nestlé Good food, Good life

True Value of Food

Urs Schenker, Nestlé Research



The benefits of Impact Valuation



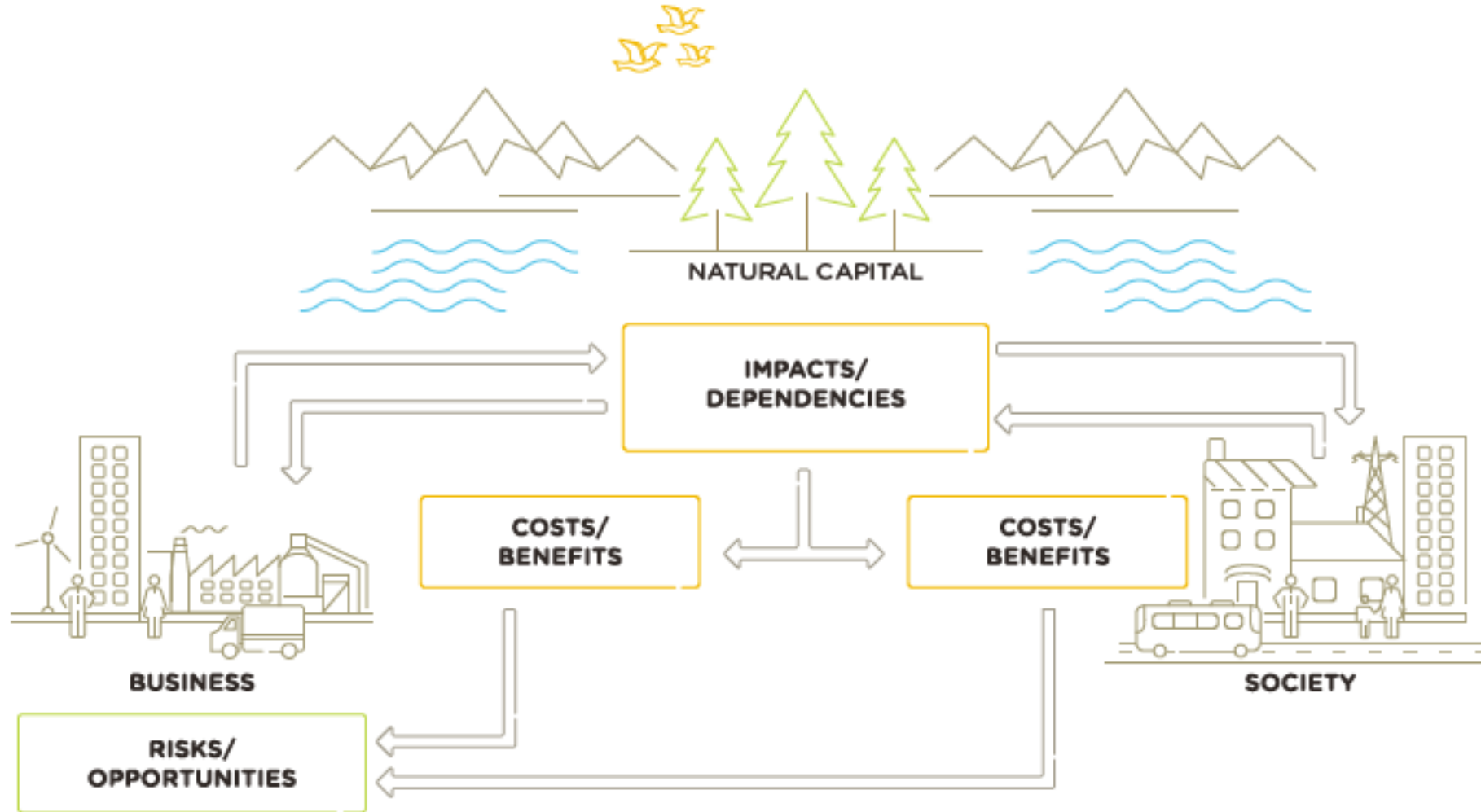
Impact valuation

SIMPLE – EASY TO UNDERSTAND
ACROSS ANY ORGANISATION

Value to society
Value to business

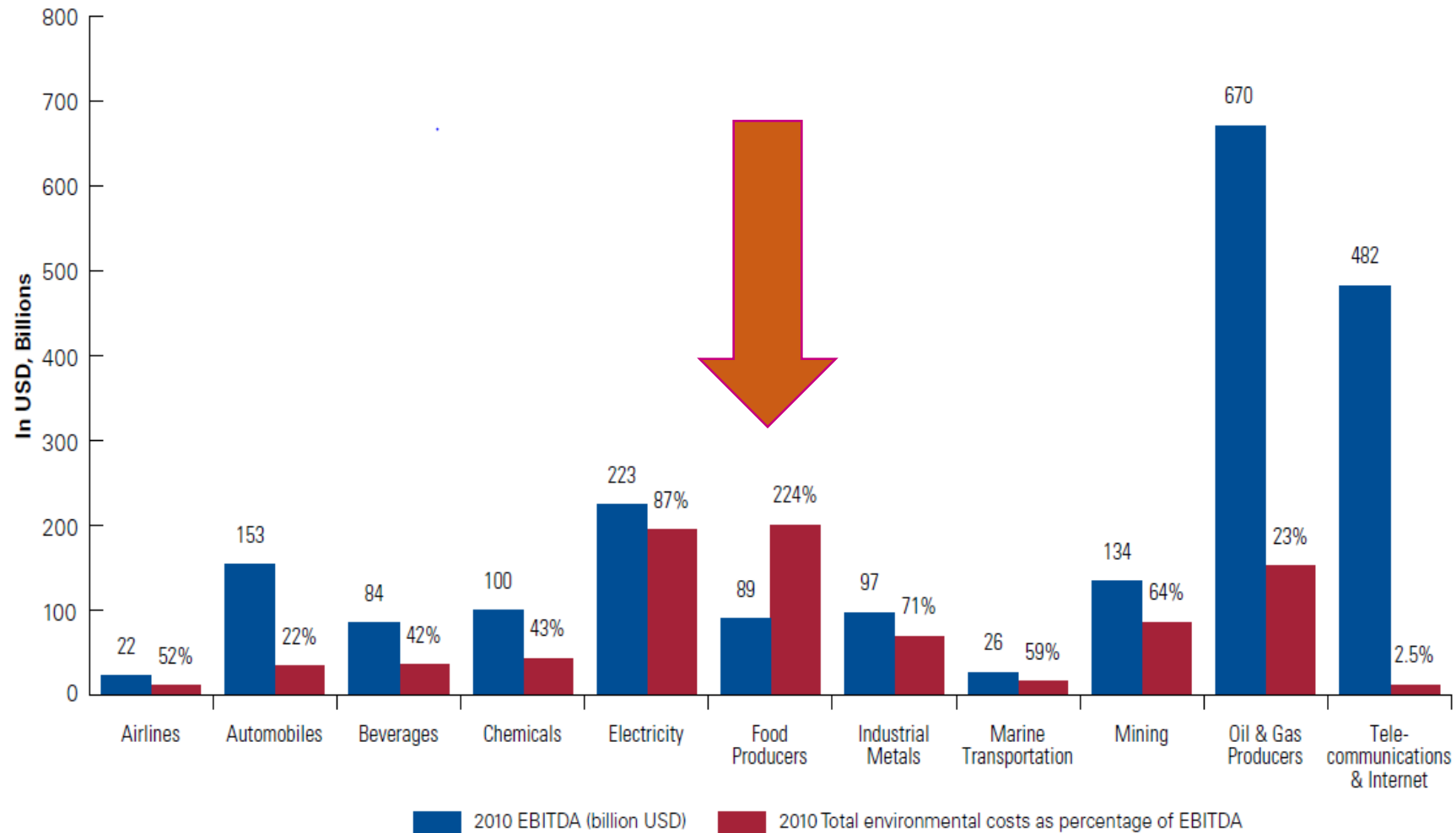


How to express externalities in monetary terms?



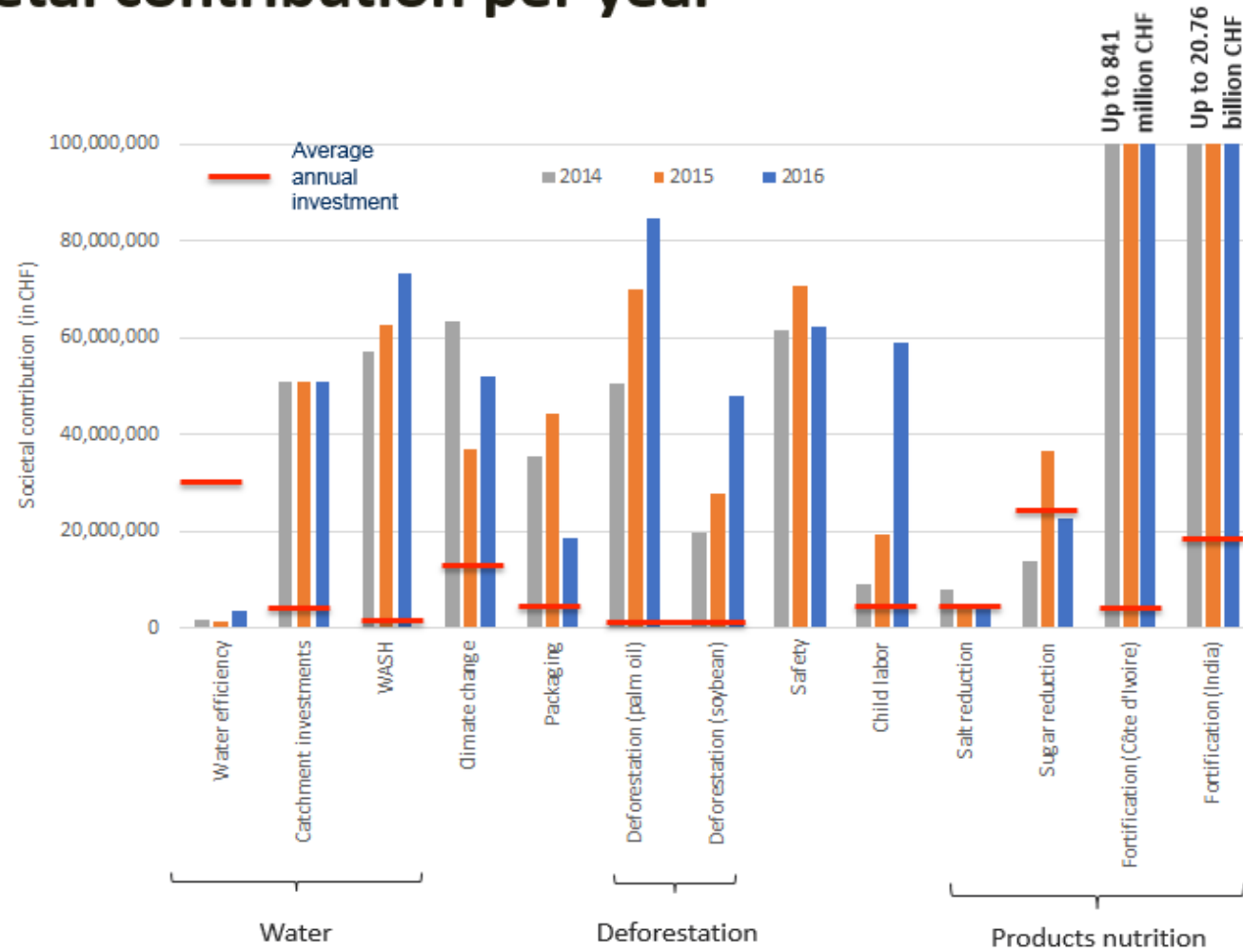
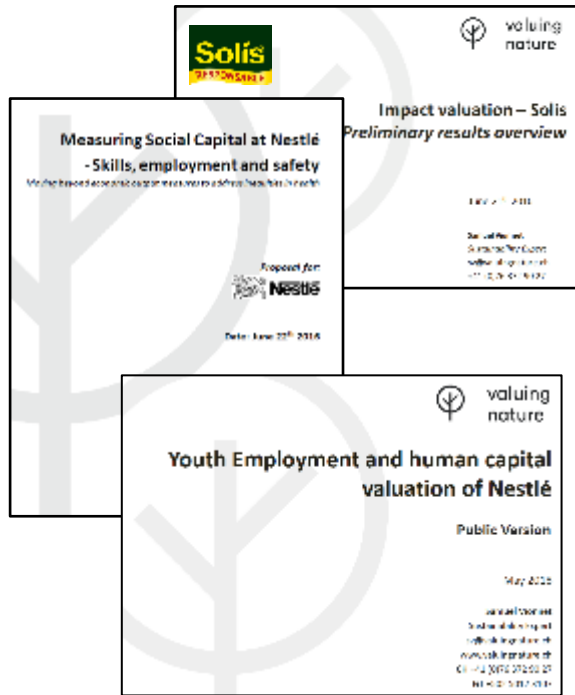
From: Natural Capital Protocol

The particular importance in the food sector



Social Impact Valuation

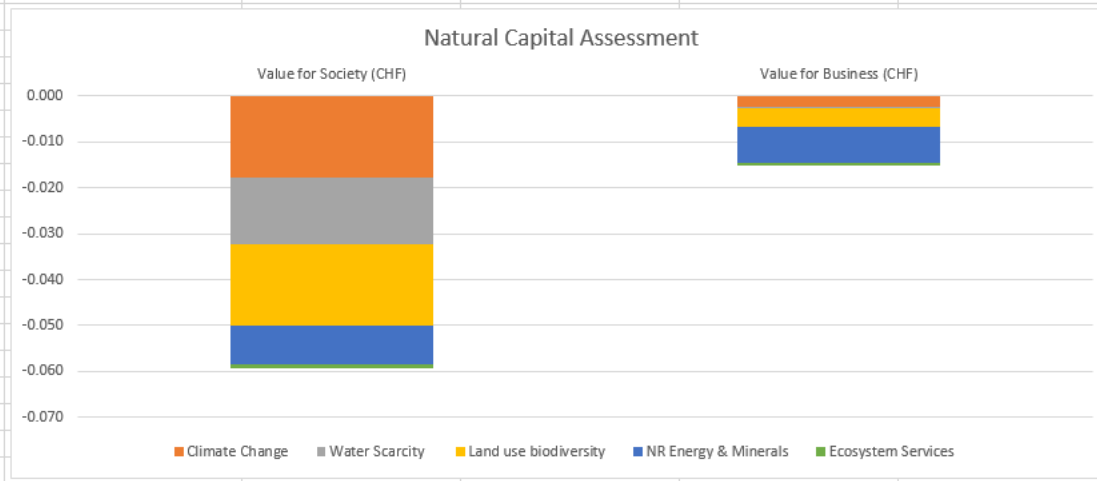
Societal contribution per year



Impact Valuation on Natural Capital

Natural Capital Converter for EcodEX						
Indicator Name	Climate Change	Water Scarcity	Land use biodiversity	NR Energy & Minerals	Ecosystem Services	Total
Unit	kg CO2eq	m3-eq	PDF m2 y	kg Sb-eq	PDF m2 y	
EcodEX Output	0.22671	0.07735	0.04632	0.00045	0.00727	
Value for Society (CHF)	-0.018	-0.015	-0.018	-0.009	-0.001	-CHF 0.06
Value for Business (CHF)	-0.002	0.000	-0.004	-0.008	-0.001	-CHF 0.02
Share of emissions coming from..:	unknown / all other	0%	0%	0%	0%	0%
	dairy	25%	35%	35%	10%	30%
	other agricultural	50%	60%	65%	30%	60%
	processing, transport or use	16%	3%	0%	30%	5%
	packaging	9%	2%	0%	30%	5%

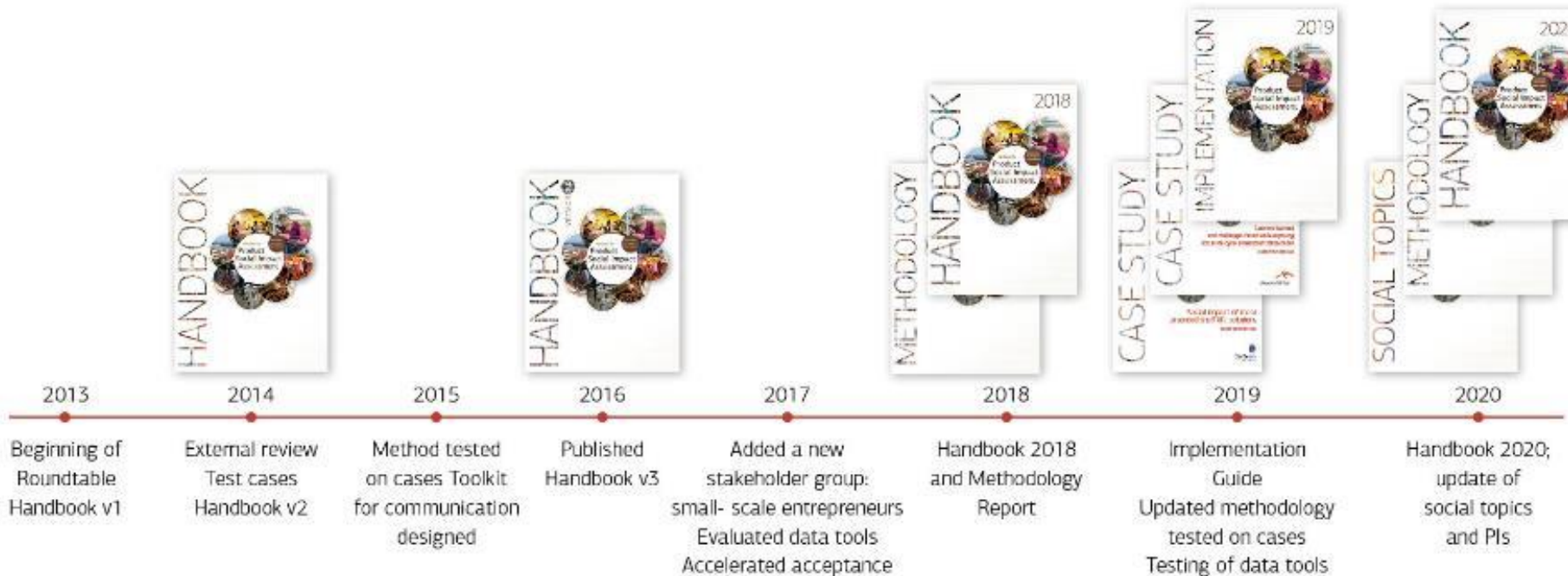
Instructions: enter numbers in the red and yellow cells - green cells represent results, grey cells are intermediate calculations / pre-defined factors



Product Social Metrics Roundtable

Purposes :

- Provide a clear, consensus-based methodology to qualitatively assess social impacts of products and services throughout the life-cycle.
- Framework aims to support people and departments in making informed decisions and communicating the results in a responsible way



The PSM Roundtable Methodology

PSM Rt methodology consists of four key components:

- 4 Stakeholder groups (Workers, Local, Users, Small-scale entrepreneurs)
- 24 Social topics (e.g. Health and Safety, Employment and Skills Development, Product safety, Meeting basic needs, etc.)
- Performance indicators
- Reference scales to assess impact

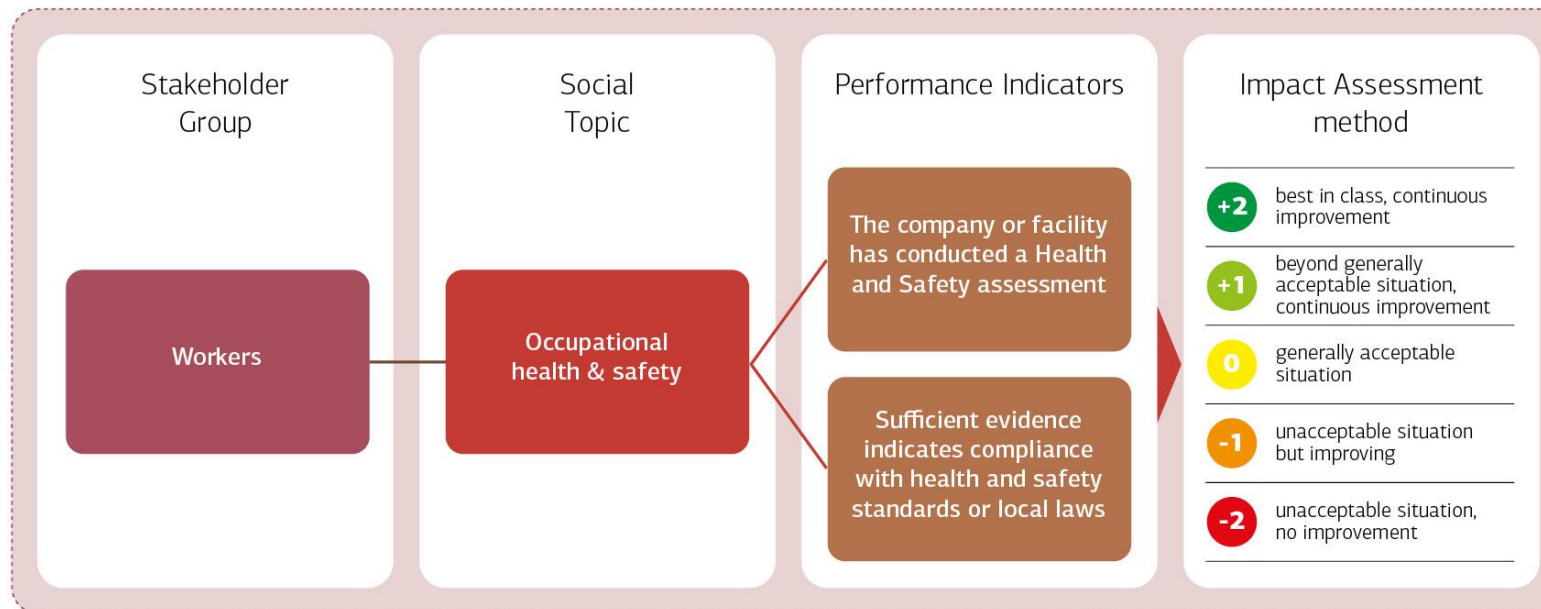


Illustration: link of wage with health impacts

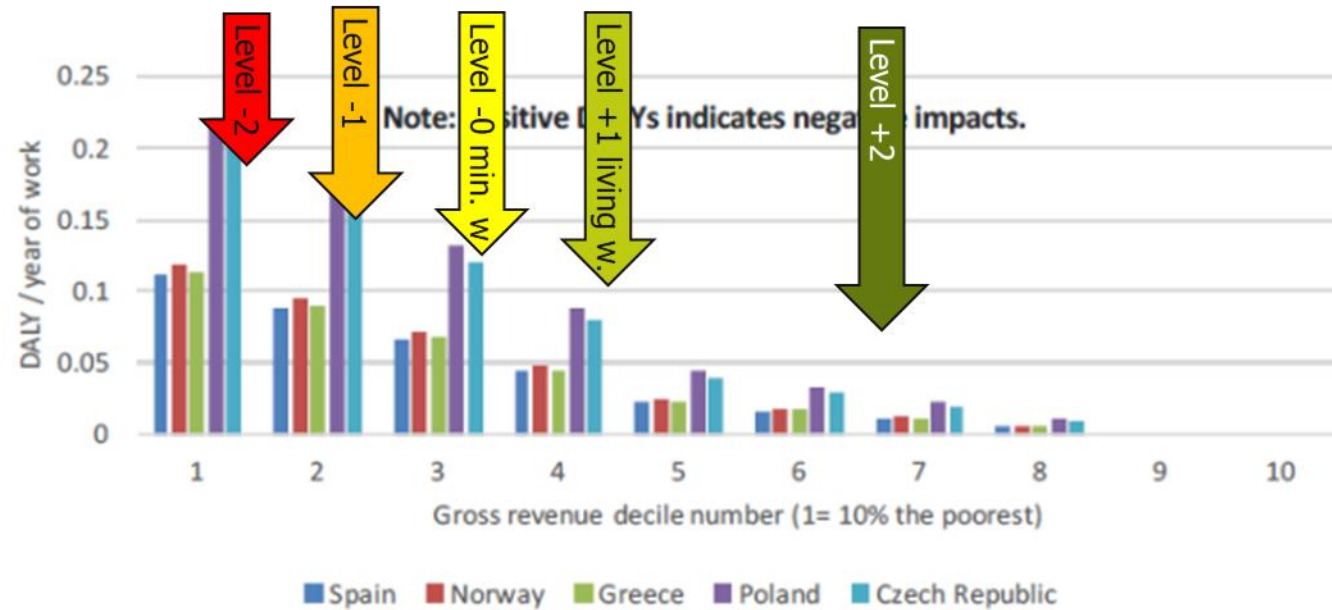


Figure 2 - Characterization factors per income decile in DALY/year of work per income decile for a selection of countries.
 Adapted from: Vionnet & Pollard 2017

External collaborations



- Partnerships to develop
 - Methods & data (Oxford FoodSIVI)
 - Harmonization of approaches (Value Balancing Alliance, TEEB Agri-food)
 - Acceptance of True Value approach (Food System Dialogues with Investors Community), GAFF True Cost



Impact Valuation & Food Systems: Conclusion

- **Comprehensive view on different aspects of food systems, instead of single focus**
- **Simplified and actionable approach to deal with complexity of systems**
- **Emphasizes the importance of sustainability for financial success**
- **Some elements of sustainability can hardly be expressed in terms of money**
- **Some stakeholders will gain, some will lose “value” – unclear if IV can align system actors**
- **Sometimes still difficult to agree on methods and data**