



Product Social Metrics Roundtable:  
Update on Smallholders  
( Case by Nestlé and Solvay)  
Presented by Diane Indrane



# Nestlé at a glance

Unmatched  
product  
and brand  
portfolio

- CHF 89.5 billion in sales in 2016
- 328,000 employees in over 150 countries
- 418 factories in 85 countries
- Over 2,000 brands
- 1 billion Nestlé products sold every day



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# EcodEX: Product Ecodesign Tool

Specific tool for food products, with fast result generation and simplified interface for non-specialists



Taking into account all relevant phases of a food products' life cycle, with a comprehensive life cycle inventory (LCI) database



Assessing a comprehensive set of relevant environmental indicators for food products



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# The importance of social impacts & smallholder farmers

Roundtable Handbook (V3) Stakeholder list:

- Workers
- Consumers
- Local Communities



Smallholder farmers are different from workers (or local communities)

- Regular salary vs dependency on harvest & crop price
- Land titles ensuring production capacity
- Commercial relationship in the supply chain

Smallholder farmers are essential for the Nestlé supply chain:

- Coffee
- Cocoa
- Dairy
- ...many more



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**SOLVAY**

asking more from chemistry®

**MORE  
FUTURE**

**Forum Product Social  
Impacts Assessment**

June 26, 2017 - Amsterdam

Thomas ANDRO



# AGENDA

## Creating more future

**Solvay at a glance**  
Key figures

**Sustainable Portfolio Management**  
Why joining the Roundtable for PSM ?

**Product Social Metrics Case**  
Guar pilot presentation

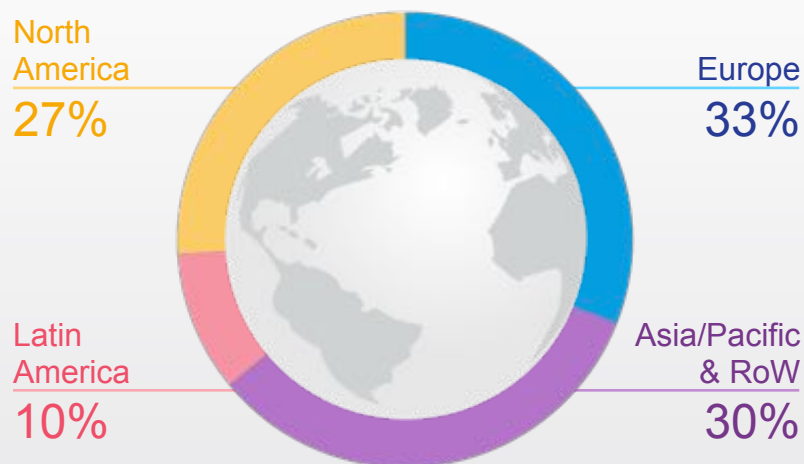


**MORE  
Sustainable  
VALUE**

# SOLVAY AT A GLANCE

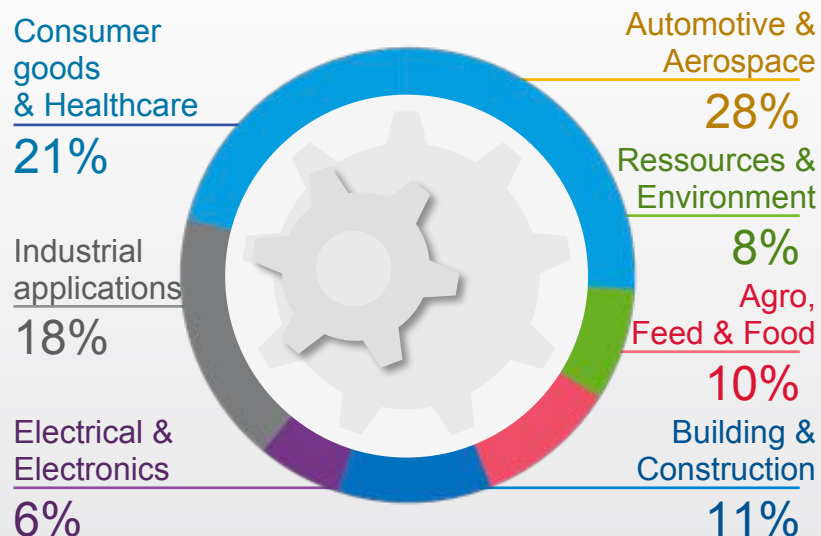
## A solutions-provider

Balanced  
regional profile



Net sales  
**€ 10.9 bn**

Diversified & higher growth  
end-markets



 **~27,000**  
employees

 **53**  
countries

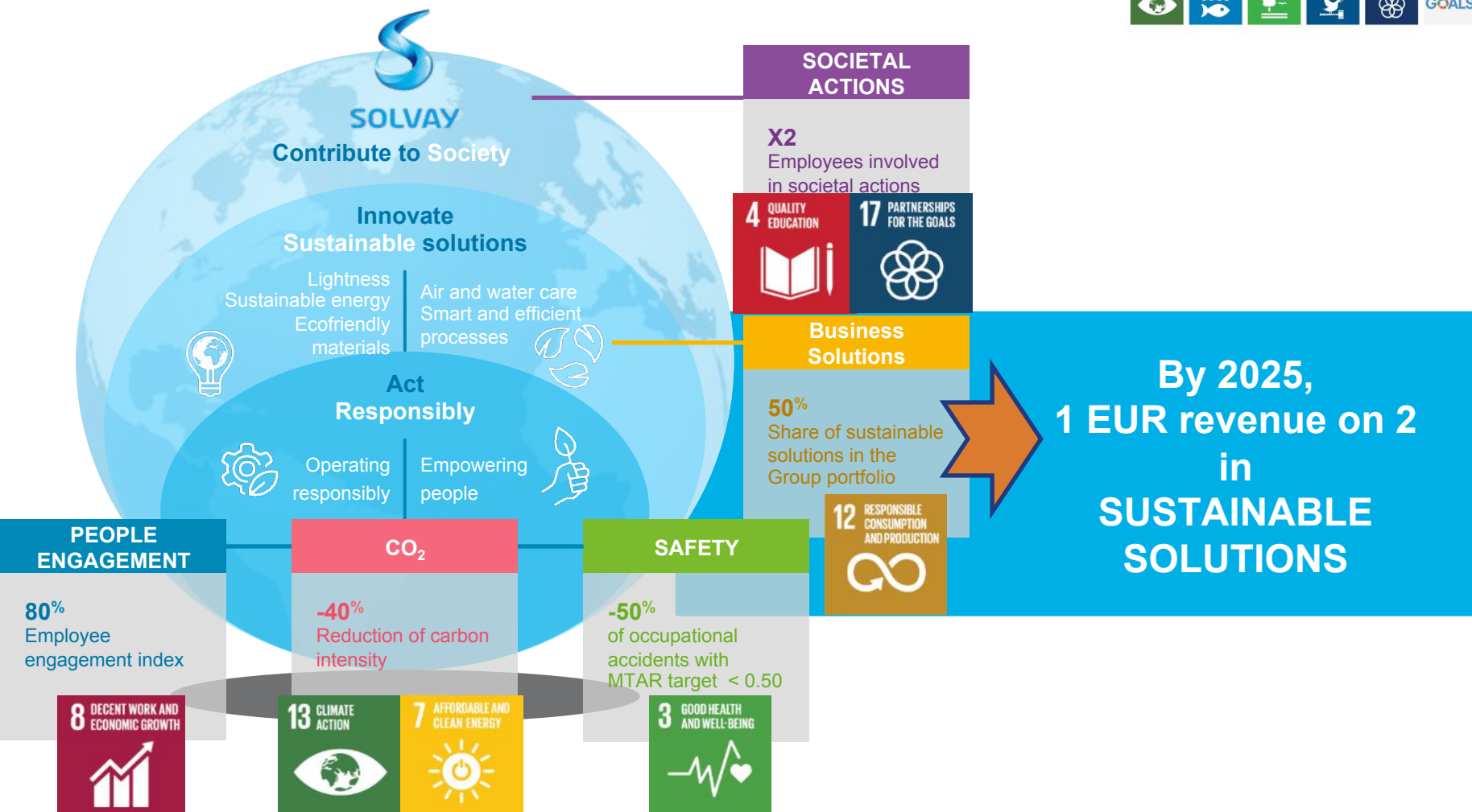
 **139**  
industrial sites

 **21**  
main R&I centers

# AMBITION

**Double revenue share from Sustainable Solutions**  
(from 25% in 2014, baseline)

SUSTAINABLE DEVELOPMENT GOALS



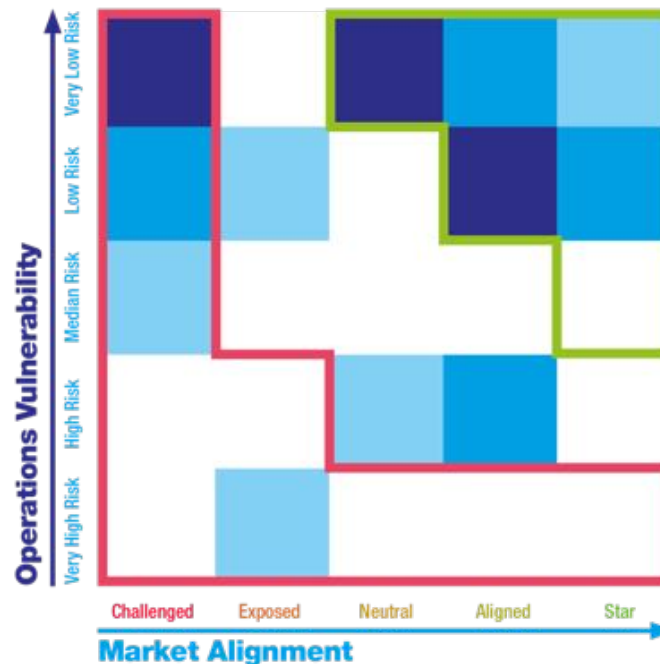


# SPM & BUSINESS SOLUTIONS

## Why joining the Roundtable for PSM ?

1 EUR revenue cannot be created at **too high environmental expense**

The lower the environmental footprint, the lower the **risk of substitution** by less impacting solutions



An area represents one or several products in their application. The shading intensity depends on sales volume: the darker the color, the higher the turnover



From a sustainability standpoint and a consumer perspective, **is our product part of the solutions or part of the problems**, being possibly guilty by association?

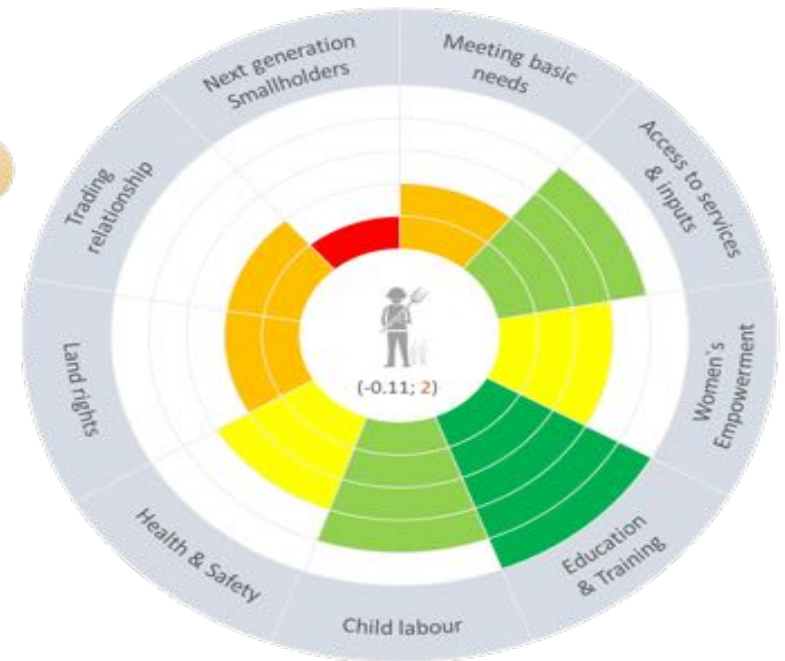
- to share and gain expertise on social metrics
- to elevate our proprietary Sustainable Portfolio Management (SPM) tool to the next level
- to finally build the necessary compass for decision makers to take more robust and sustainable business decisions (including on social perspective) and ensure shared value creation

# PRODUCT SOCIAL METRICS CASE

## Guar pilote presentation



## SUSTAINABLE GUAR INITIATIVE



*fictional results*

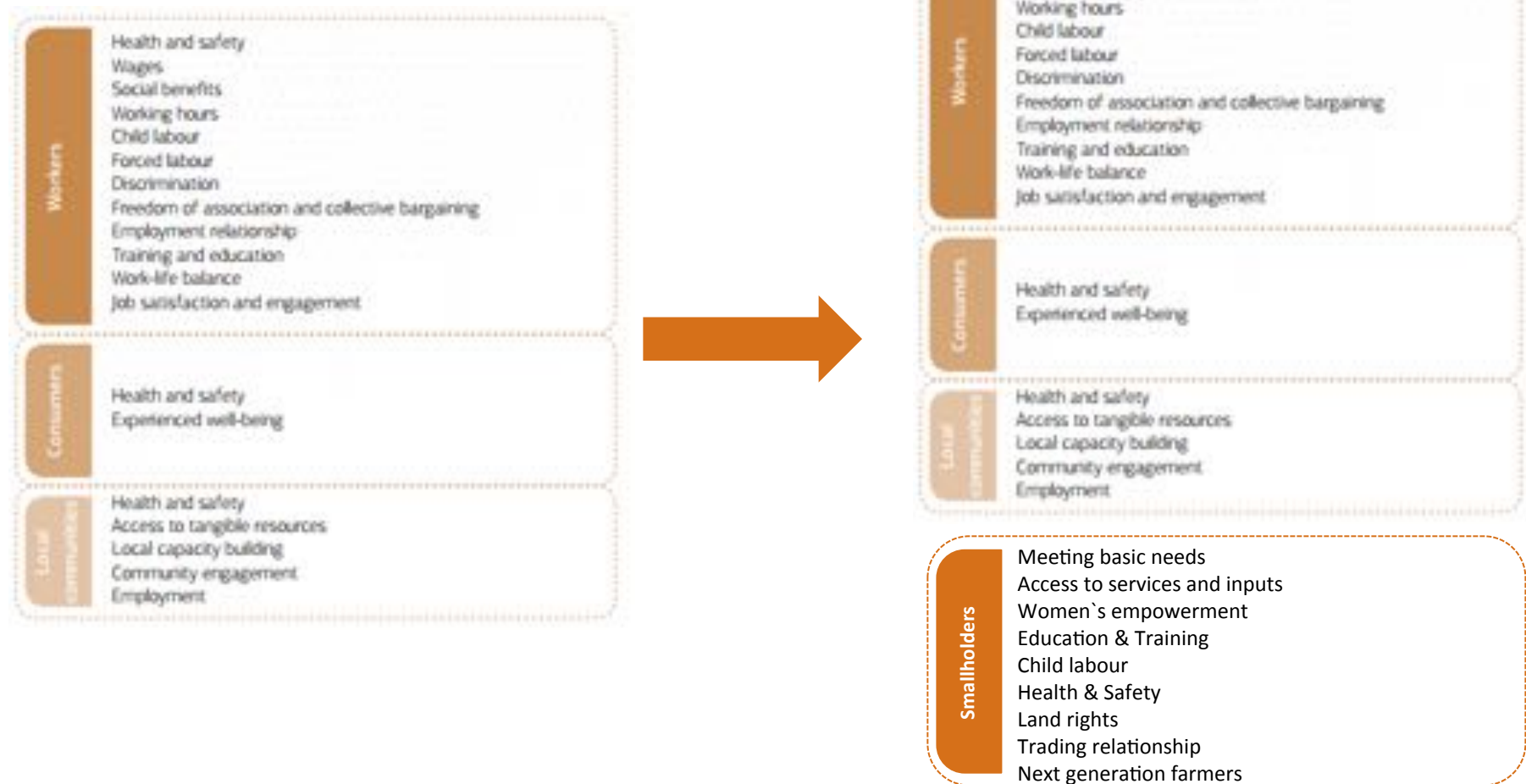
# MORE FUTURE



**SOLVAY**

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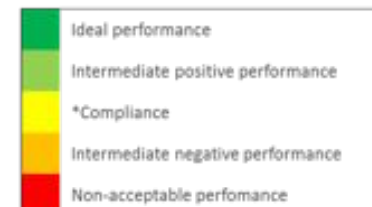
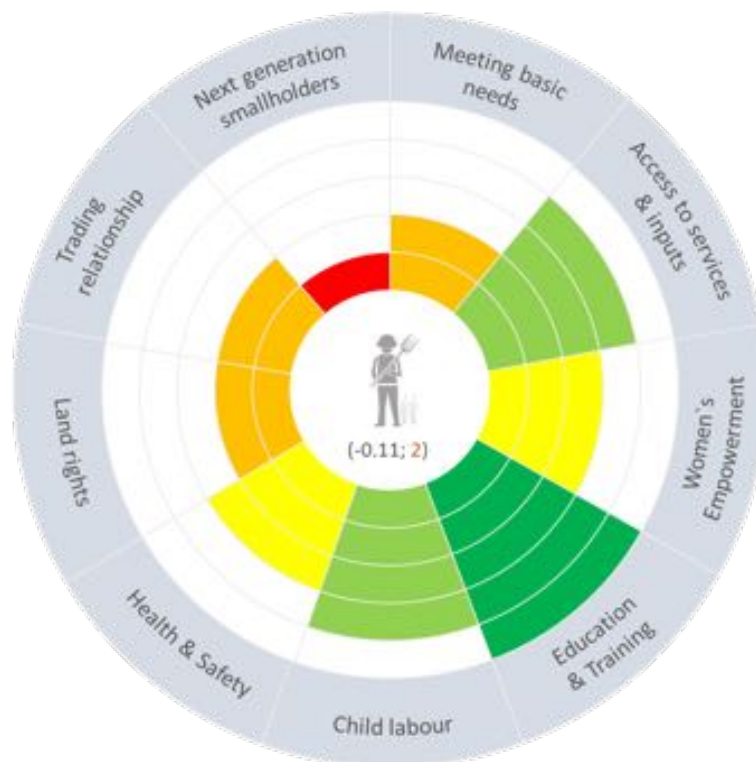
## Method development for smallholders



## Social topics

- 9 social topics were determined for stakeholder group Smallholders:
  - Meeting basic needs
  - Access to services and inputs
  - Women's empowerment
  - Education & Training
  - Child labour
  - Health & Safety
  - Land rights
  - Trading relationship
  - Next generation smallholders

Illustration of fictional results





## Impact assessment methods

### Performance Reference Points

- +2 ideal performance
- +1 intermediate positive performance
- 0 aligned with international standards
- 1 intermediate negative performance
- 2 non- acceptable performance

What do we understand as an 'Ideal performance'?

It is not clearly defined and consistently applied in the current Handbook

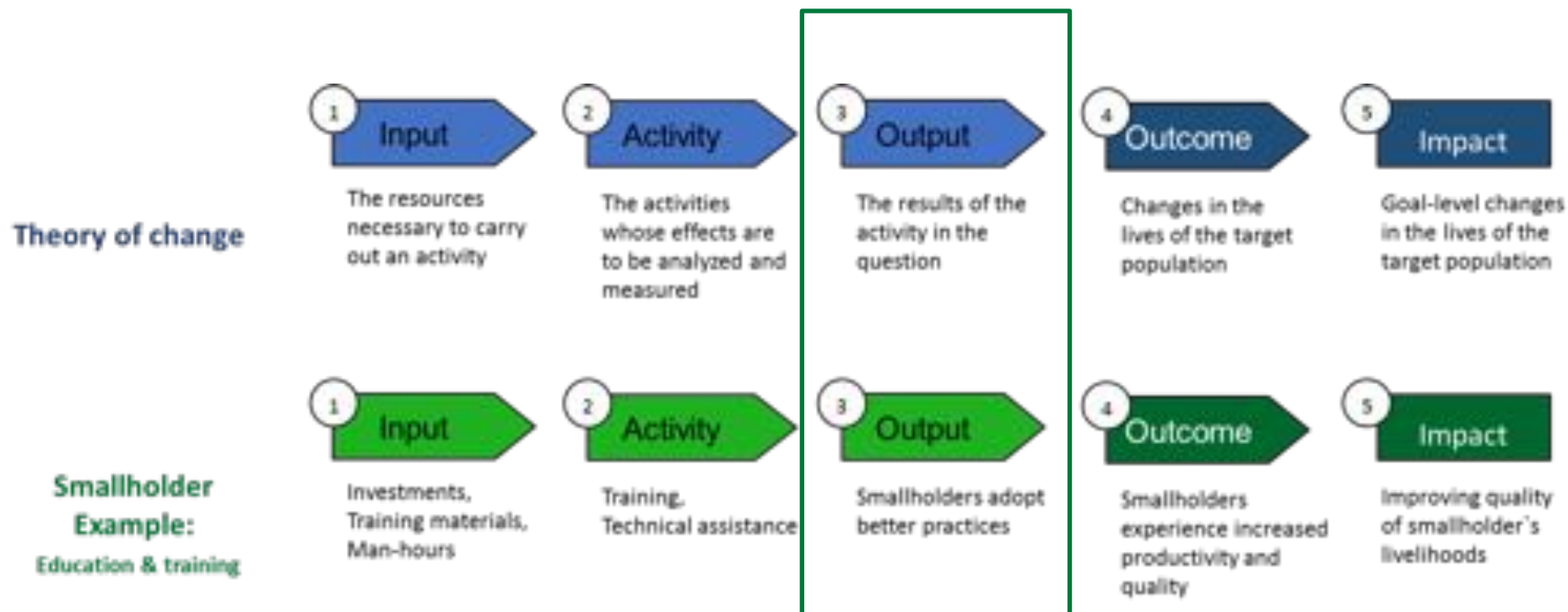
### *Vision:*

- Move away from Risk avoidance towards Created Value in the supply chains
- Focus on whether value chain actors promote good practices and undertake interventions



## Establishing guiding principles

- Linking carried out interventions with the Theory of Change (Impact pathway)
- The further the PIs are positioned along the impact pathway, the harder it is to justify the link between PIs and the carried out activities
- Focus on Outputs from conducted interventions



## What did we learn from the case studies?

- Lessons learned:
  - Proposed method can assess both positive and negative performance
  - In varying capacities data was available for all social topics
  - Additional guidance is needed on how to approach potential overlaps
  - We need to clearly define the social topic Health & Safety
- Next steps:
  - Test quantitative method
  - Review the method externally
  - Test the method on more complex supply chains