

Head office : Vevey, Switzerland
Industry : Food processing

Questions

Answers

- Background and purpose of accounting

We participated in CDP in 2009 and have been reporting Scope 3 emissions since 2010. In addition to the intrinsic significance of accounting, including Scope 1 and 2 emissions, this is important for the sake of taking action to reduce emissions.

- Accounting methodology

In our methodology for accounting for supply chain emissions, we assess both upstream and downstream emissions by performing life-cycle analysis (LCA) on the basis of products such as confectionery, beverages, dairy products, fruit products, and nutritional supplements. We place a higher emphasis on accounting efforts in categories that have a higher impact in our supply chain.

- Internal system for accounting

We have organized a team of about 10 persons to handle the data needed for LCA gathered from each place of business. This team handles internal information concerning safety, health, and the environment.
We have developed LCA tools such as the Packaging Impact Quick Evaluation Tool (PIQET) and the Global Environmental Footprint Tool (GEF Tool), and we perform accounting by entering data into these kinds of tools.

- Use of accounting results



In the results of LCA, we evaluate a variety of environmental burdens in addition to greenhouse gases, and we publish some of the results in a Creating Shared Value Report (CSV Report) for use in communicating with stakeholders.

We have also developed an application that allows customers to see a product's environmental information by reading the product's barcode with a smartphone.

- Benefits of accounting

Evaluating the environmental impact of Nestle products throughout their life cycles, including other environmental burdens, provides a clear basis for decisions concerning the stages of environmental burdens where efforts should be focused as the main target for reducing the environmental impact.

Questions

Answers

- Efforts to reduce supply chain emissions

We help suppliers to engage in more sustainable business practices by providing technical assistance and training to suppliers, such as introducing biogas technology to farmers and providing education in agriculture with a low environmental burden. For example, we plan to ensure that all of the coffee beans we purchase meet the Common Code for the Coffee Community (4C), a set of standards that we have established independently, by 2015.

- Issues in supply chain emissions accounting

We are engaged in calculating supply chain emissions, along with our suppliers, but emissions unit values are necessary in many situations, because it is not easy to gather data from all suppliers. There is a lack of adequate emissions unit values for food products and agriculture, and the establishment of more accurate emissions unit values will be an important key. Therefore, we are participating in an LCA pilot project of the European Commission for the standardization of Product Category Rules (PCR).

To promote these LCA-related efforts, it is important to have company personnel who have scientific knowledge and to cooperate with stakeholders; so we are training qualified human resources and pursuing greater collaboration with communities and government.

- Advice for those beginning to account for supply chain emissions

Go through the scope 3 standard of the GHG Protocol to fully understand scopes and criteria of scope 3 emissions. Perform a materiality analysis to define which categories of scope 3 emissions are relevant to the business. Since obtaining data from suppliers can be challenging, do a calculation based on models/approximations and secondary data when primary data is not available. Refine the calculation over time as the company engages with its suppliers and collect data and more precise information on its supply chain. Nestle CSV Report 2011

