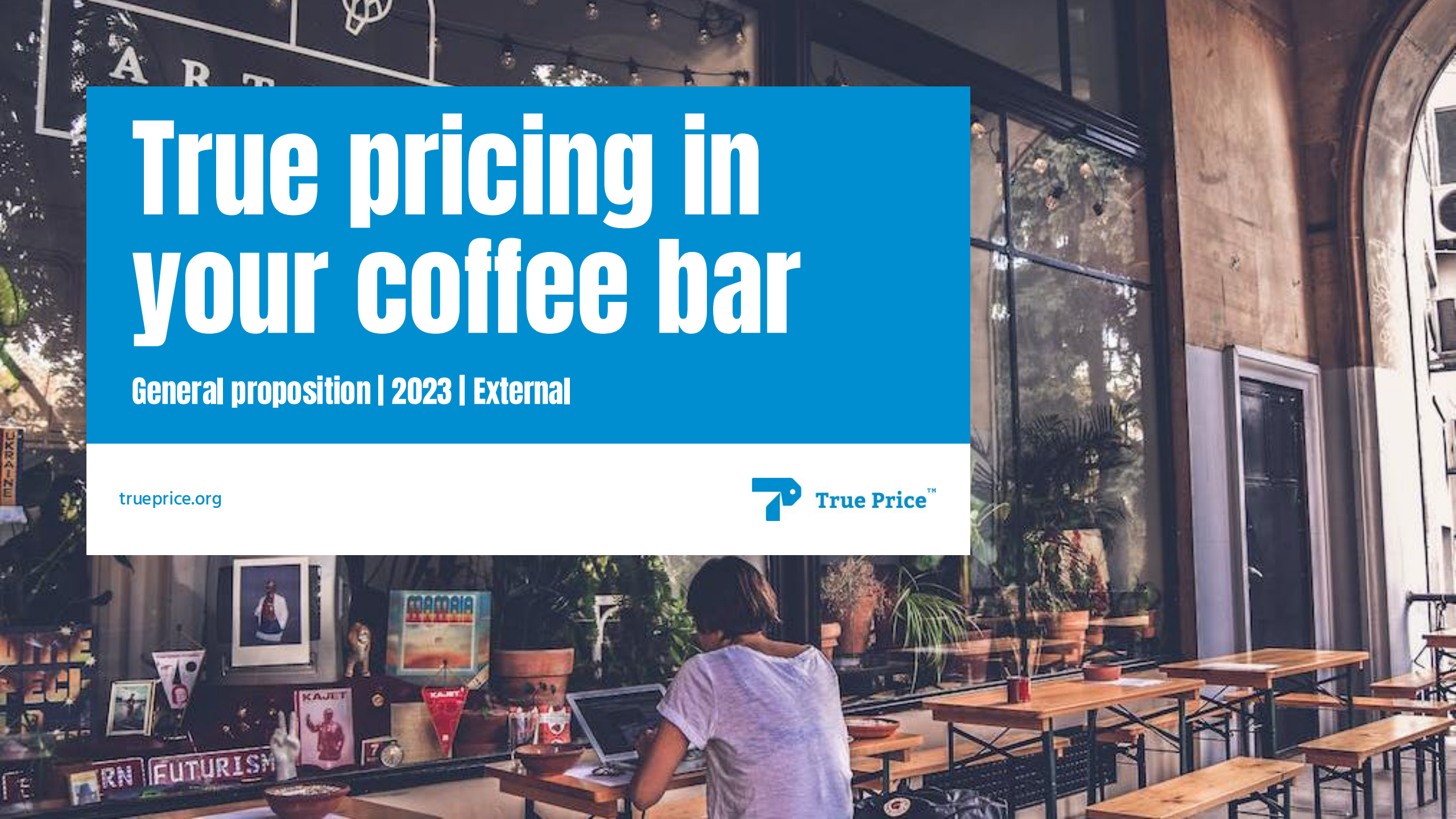


# True pricing in your coffee bar

General proposition | 2023 | External

[trueprice.org](https://trueprice.org)



# FOR THE LOVE OF COFFEE

*True pricing is one of the highest standards in product-level sustainability transparency and a proven instrument to structurally decrease externalities on product and company level.*

- Coffee is at the heart of your business. It represents your brand. You and your colleagues work hard to make the best products and deliver the best services.
- Your coffee can also be an embodiment of your company's sustainability values and practices, if they are developed and served with sustainability impact in mind.
- Currently, there is little information available for you and your customers regarding the sustainability performance of your coffee. Let alone, to improve your sustainability performance as a coffee bar.
- True pricing is an instrument to minimize the social and environmental impact of products. The true price of a product consists of the normal price plus all social and environmental costs (see appendix).
- True pricing is one of the highest standards in product-level sustainability transparency and a proven instrument to structurally decrease externalities on product and company level.
- True pricing can help you to improve your brand, bind customers, and integrate sustainability at the heart of your company: your coffee.

We are not in the coffee business  
serving people, we are in the  
people business serving coffee.

Howard Schultz

stallone



# TRUE PRICING IN YOUR COFFEE BAR

*Showing true prices can 1) inspire your guests, 2) inform their choices, and 3) make your company more sustainable. Even without payments.*

- Currently, your guests see the 'normal' prices of your coffees. By showing also the true price of the products, you help them intuitively understand the impact of their choices.
- More and more consumers are willing to see that (see p. XX). True pricing inspires your guests, helps them to make a more conscious decision, and make your company more sustainable as it will help your guests to make more sustainable choices.
- This benefits you commercially as well as it will:
  - Improve your brand**
  - Bind customers**
  - Potentially **attract new customers**

Would you like to restore the social & environmental impact of your coffee?  
You can pay the True Price here

Take a look at the True Price gap (€0,811) for a medium cappuccino with cow milk.

€0,096	Climate change
€0,001	Water use
€0,124	Land use
€0,492	Air pollution
€0,034	Water pollution
€0,030	Material use
€0,010	Child labor
€0,023	Poverty

ENJOY YOUR DRINK WITH IMPACT

True Price™ Deloitte Hutten

True price list

Product	Price	True Price	True price gap (incl. VAT)
Espresso S	€ 2,25	€ 2,41	€ 0,16
Espresso M	€ 3,25	€ 3,47	€ 0,22
Coffee S	€ 2,25	€ 2,40	€ 0,15
Coffee M	€ 3,25	€ 3,49	€ 0,24
Cappuccino S - cow milk	€ 2,75	€ 3,48	€ 0,73
Cappuccino S - oat milk	€ 3,25	€ 3,43	€ 0,18
Cappuccino M - cow milk	€ 3,75	€ 4,56	€ 0,81
Cappuccino M - oat milk	€ 4,25	€ 4,49	€ 0,24
Flat white - cow milk	€ 3,75	€ 4,33	€ 0,58
Flat white - oat milk	€ 4,25	€ 4,45	€ 0,20
Mint tea S	€ 3,25	€ 3,28	€ 0,03
Mint tea L	€ 4,00	€ 4,03	€ 0,03

True Price™ Deloitte Hutten

# WHAT ABOUT TRUE PRICE GAP PAYMENTS?

*Some organizations choose to also enable (voluntary) true price gap payments. This goes beyond true price transparency and gives your guests a tangible tool to contribute to a more sustainable world.*

- Through true price gap payments, you can improve your impact further. On the one hand, because it provides a stronger incentive to choose for products with lower true price gaps (more sustainable products). On the other, because the payments should be used to remediate the externalities (see box on the right).
- True price gap payments can be done

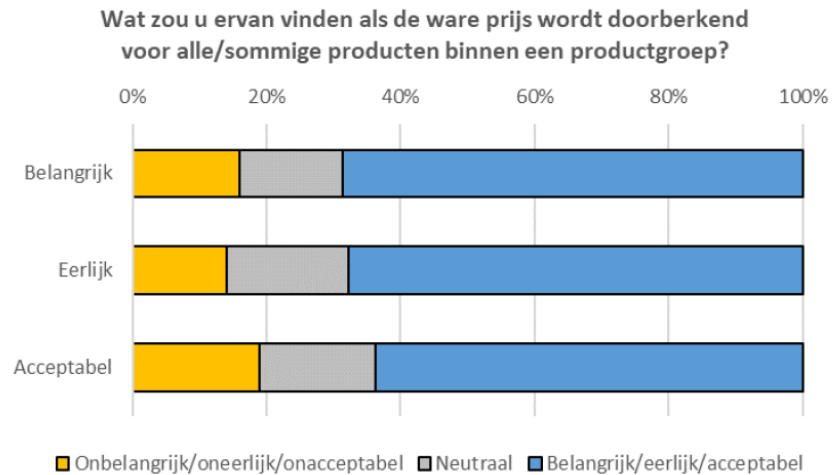


# MORE AND MORE CONSUMERS EMBRACE TRUE PRICING

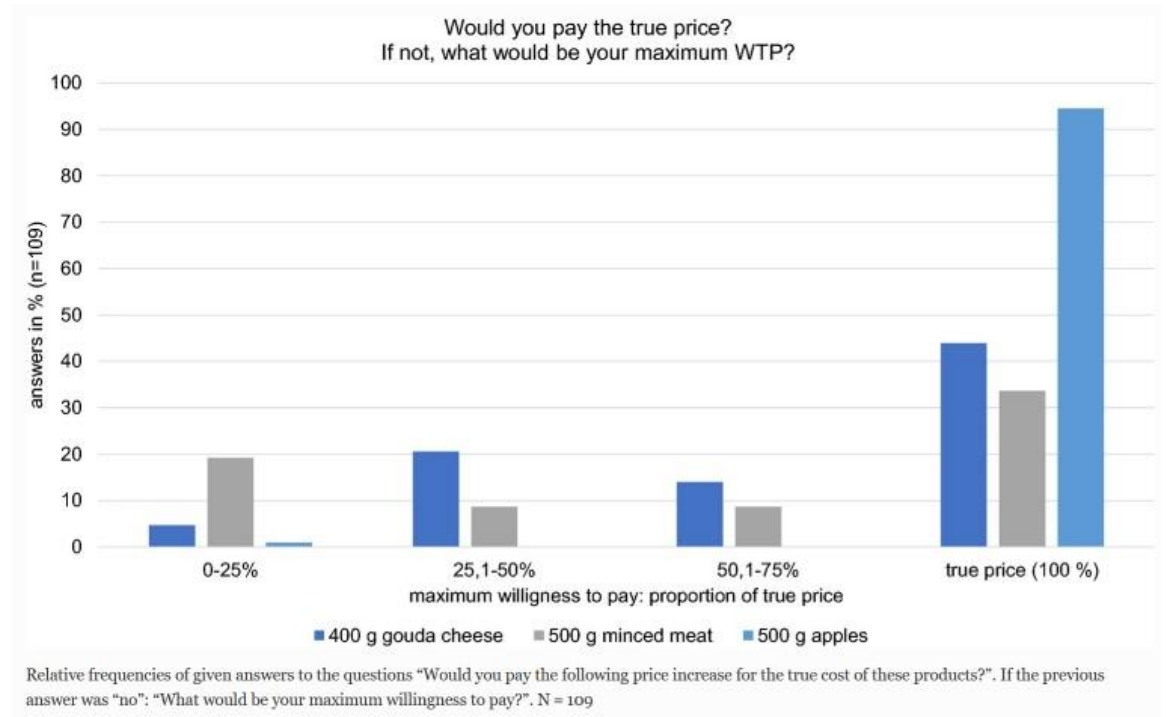
*More and more consumer research and experiments show that a substantial proportion of the population (in NL) supports true pricing. See appendix for more information.*



**Figuur 3.3. Draagvlak onder consumenten voor het doorberekenen van de ware prijs van producten binnen een productgroep (gemiddelde over condities)**



Source: Centerdata, Behavioural Insights Nederland, Wageningen economic research (2021).



Source: A Michalke, L. Stein, R. Fichtner, T. Gaugler & S. Stoll-Kleemann <https://link.springer.com/article/10.1007/s11625-022-01105-2>



# OUR PROPOSITION

*We can help you from A to Z in the introduction and optimization of true pricing in your coffee bar.*

## Our proposition

- **Calculation** of true prices of 3 products: coffee, cow milk, and oat milk
- Support and advice in **communication** of true prices in your coffee bar (and beyond) following our communication guidelines
- [The design and production of materials \(such as flyers, cards, or others\) are not in scope](#)
- Support in **implementation** of true prices in your coffee bar, consisting of:
  - [One workshop for your barista's](#)
  - [Develop a training video for new barista's](#)
  - [Develop a webpage + FAQ for guests who want to learn more](#)

## Additional services

- **Additional true price calculations** – for example other types of milk (like soy milk) or tea
- **Impact monitoring:** tracking how true pricing affects the choices of your guests

## What is included in the true price?

- It is an estimate of the true price of an **average product** from the country of origin (for example: coffee from Colombia)
- We calculate 10 social and environmental impacts (see appendix).
- We focus on the impact on the farm and the raw materials for cultivation. This is often where more than 90% of the impact takes place.
- Other steps, such as cooking, transport or packaging, or impacts can be added for additional costs.



# Appendix

---

# A



# APPENDIX WHAT TRUE PRICING ENTAILS

*True Pricing is the calculation and improvement of the true price of a product, like coffee. The goal of true pricing is not to make things more expensive, but to make them more sustainable.*

True Pricing is the calculation and improvement of the true price of products. The goal of true pricing is not to make things more expensive, but to make them more sustainable by decreasing the true price gap. The true price of a product is the conventional price including the external social and environmental costs.

Calculating a true price consists of 3 phases:

1. Assessing the entire value chain of a product;
2. Mapping the violations of human, sustainability and labour rights in the value chain;
3. Calculating the cost to remedy these violations. The remediation costs are the sum of repairing, compensating, preventing and possibly fining the violations.

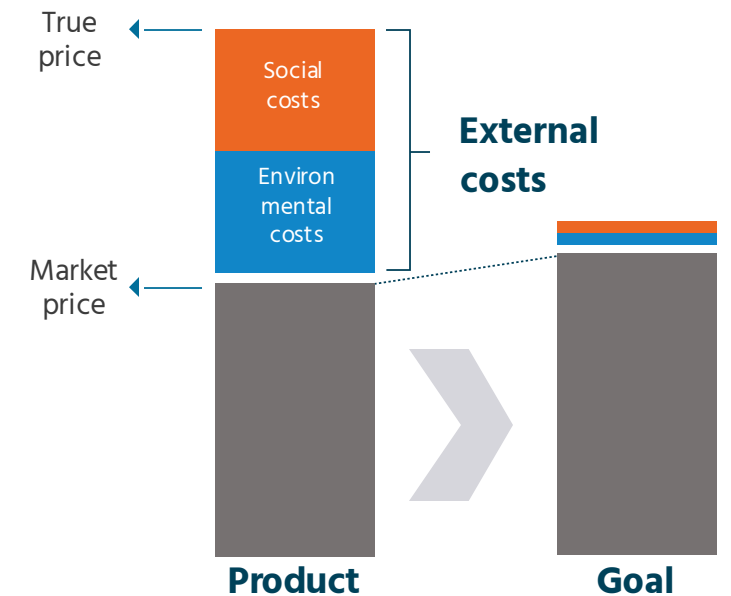
True price information can be used to improve (decrease) the true price of products, by:

1. Provide market players with **insight** into the place in the value chain and the extent of the costs. Based on this, parties can reduce external costs through innovation.
2. To offer more **transparency** to market players so that they choose the more sustainable alternative and that share grows.
3. To make consumers or other market parties **pay the true price**. The additional contribution will make it possible to repair the damage and reduce future external costs.

The main advantages of the True Price Method are:

- Improves the transparency of the impact created
- Used to engage consumers in an impactful way
- Helps identify the strategy for improving externalities

*Visualization of the true price of a product and the purpose of true pricing.*



SUSTAINABLE  
DEVELOPMENT  
GOALS



UNITED NATIONS  
HUMAN RIGHTS  
OFFICE OF THE HIGH COMMISSIONER



International  
Labour  
Organization



PARIS2015  
193 COUNTRIES AND TERRITORIES  
COP21 · CMP11



IR  
INTEGRATED  
REPORTING



OECD



# APPENDIX THE MOMENTUM FOR TRUE PRICING IS GROWING

*The momentum for true pricing is growing, in the Netherlands and beyond.*

- A growing number of retailers, restaurants, governments, brands and producers are embracing true pricing as a potential solution to the global crises. Not only as a tool to gain insights into the impact of their products, but also to help their customers to gain awareness, make better choices, and identify the instruments to take action.
- True pricing in consumer-context is relatively new. A few pioneers – among others organic supermarket De Aanzet, Deloitte’s espressobar, the ‘True Price Koffiehuis’ in Breukelen, and brands like Thijs Drinks, Tuesday and Bocca – show that it is not only possible, but valuable to implement true pricing.
- We would like to inspire, motivate, and support businesses, consumers, and governments to embark on their true price journey.
- These implementation guidelines aim to help with that. They are based on expertise and experience in true pricing, build up over the last years – in cooperation with the pioneers mentioned before.

*A selection of true pricing pioneers*



# APPENDIX **OUR TEAM**

## — Experts

---



**Michel Scholte**  
*Executive Director  
and Co-Founder of  
True Price*



**Claire van den Broek**  
*Public  
Entrepreneurship  
Lead of True Price*



**Pietro Galgani**  
*R&D Manager  
Data and True  
Price method lead*

## — Project team

---



**Dimitra Kanidou**  
*Fellow at True  
Price*



**Estefania Marti Malvido**  
*Trainee at True  
Price*



**Bart van Veen**  
*Researcher at True  
Price*



**Hans Baumers**  
*Strategic Data  
Scientist at True  
Price*



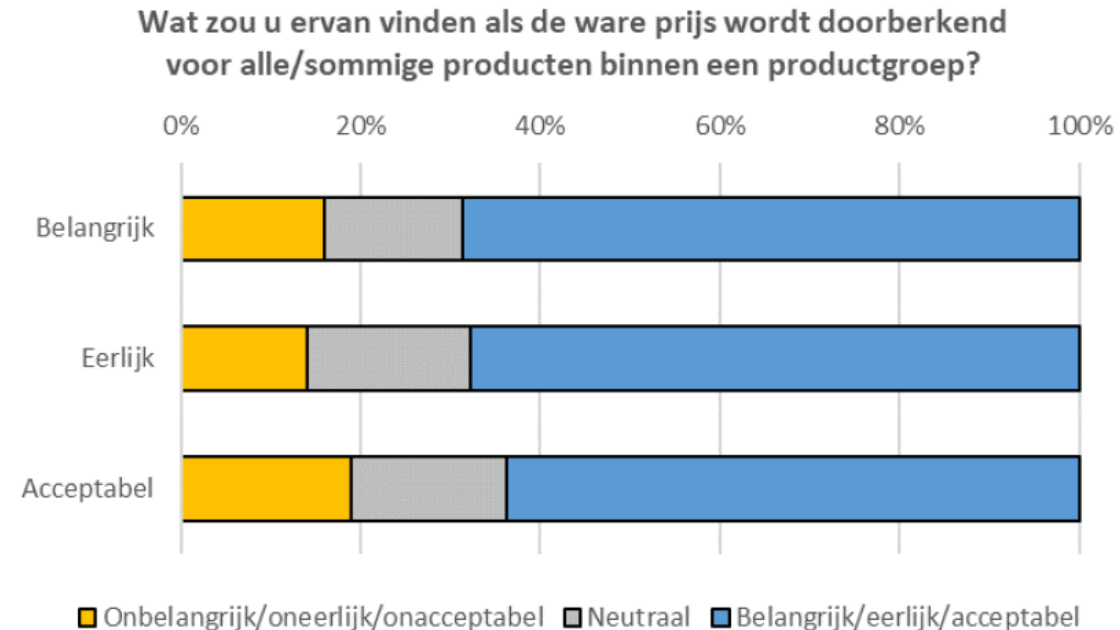
**Maurits Appeldoorn**  
*Senior Associate  
at True Price*

# APPENDIX REAL-LIFE EXPERIMENTS IN WEBSHOPS

*Several researches and experiments show that true pricing is embraced by a growing group of consumers.*

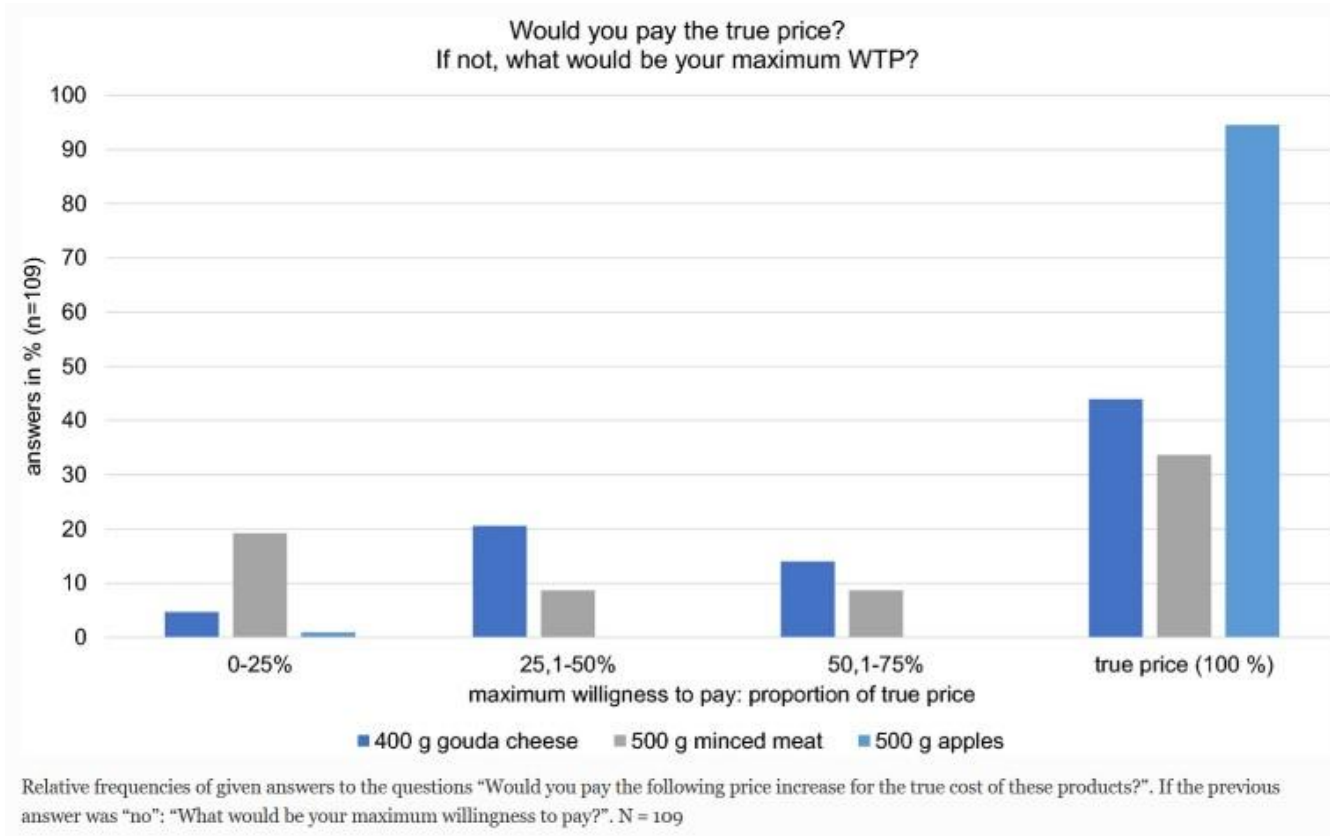
- Centerdata, Behavioural Insights, Wageningen Economic Research, and Amsterdam UMC conducted a research into the effects of true pricing.
- Their research among 2100 consumers shows that there is support for this, but that the way of introduction is decisive whether consumers understand the 'true price', trust, want to pay for it, or adjust their buying behavior.

**Figuur 3.3. Draagvlak onder consumenten voor het doorberekenen van de ware prijs van producten binnen een productgroep (gemiddelde over condities)**

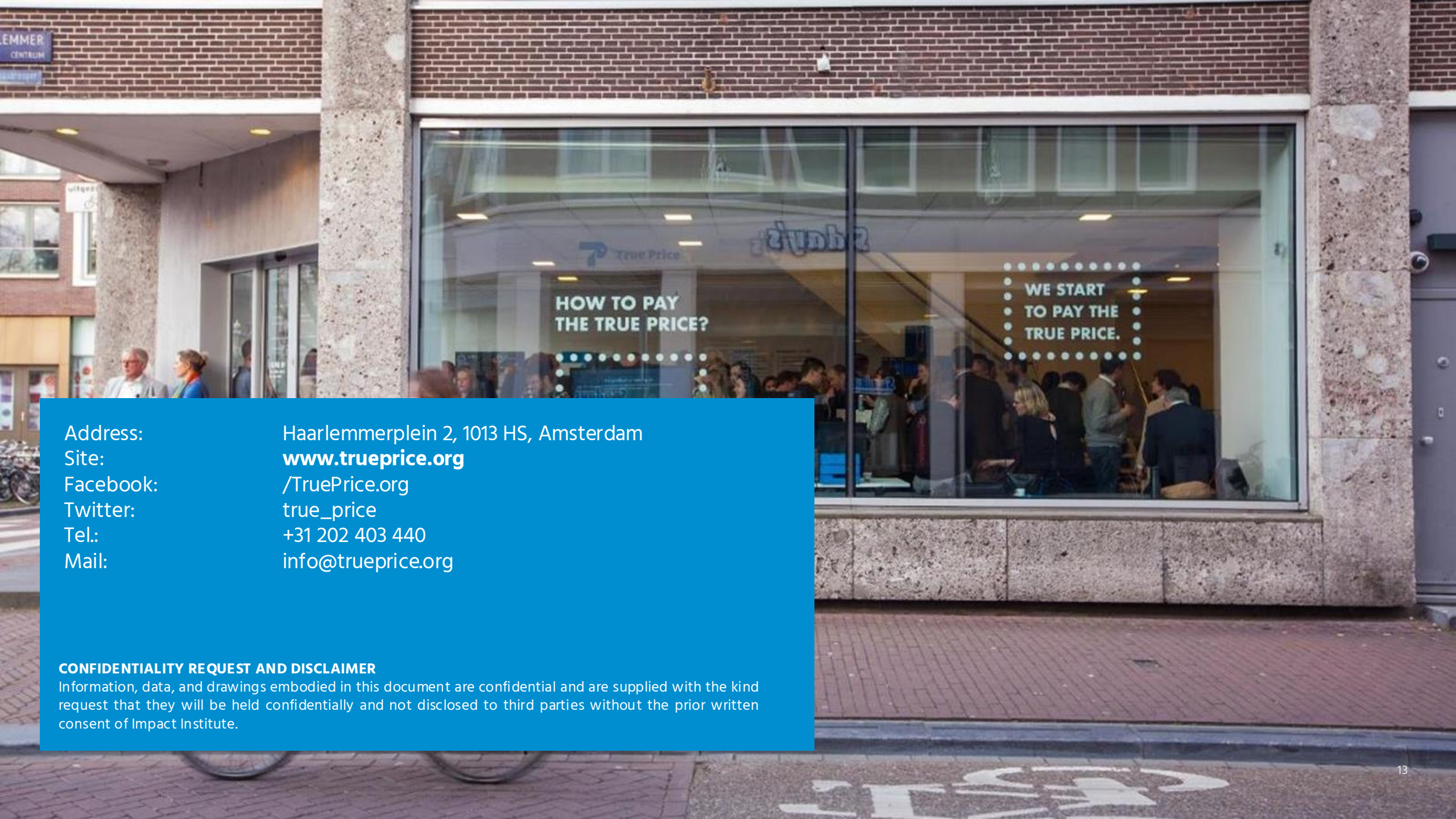


# APPENDIX SUSTAINABILITY SCIENCE EXPLORED (2022)

*Several researches and experiments show that true pricing is embraced by a growing group of consumers.*



- A study in Sustainability Science explored (2022) A) how informational campaigning on agricultural externalities can contribute to consumer awareness and tolerance, and B) the socially just design of monetary incentives and their implementation potentials and challenges.
- The results show that consumers are generally interested in the topic of true food pricing and would to a certain extent be willing to pay true prices of the inquired foods. However, insufficient transparency and unjust distribution of wealth are critical criteria for its acceptance.



Address: Haarlemmerplein 2, 1013 HS, Amsterdam  
Site: [www.trueprice.org](http://www.trueprice.org)  
Facebook: /TruePrice.org  
Twitter: true\_price  
Tel.: +31 202 403 440  
Mail: [info@trueprice.org](mailto:info@trueprice.org)

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Information, data, and drawings embodied in this document are confidential and are supplied with the kind request that they will be held confidentially and not disclosed to third parties without the prior written consent of Impact Institute.

# Overview

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<b>2</b>	Why true pricing?	Page 7
<b>3</b>	How can you use true pricing?	Page 13
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# About True Price

# 01



# ABOUT ABOUT TRUE PRICE

Update

*True Price is a social enterprise from Amsterdam. Our mission is to realize sustainable products that are affordable for everyone by enabling consumers to see the true price of products they buy and pay voluntarily.*

- True Price is a movement of consumers, businesses, and institutions that take action in incorporating environmental and social costs in prices. We envision a world where all products are sold for a true price to enable a sustainable global economy.
- True Price developed the first method worldwide to measure social and environmental costs in the value chain.
- The method includes external social and environmental impacts, such as underpayment, health and safety, greenhouse gas emissions, water use and biodiversity.
- The method is based on international conventions (e.g. UN UVRM, UNGP's, ILO Fundamental Principles, OECD guidelines for MNE) as a normative basis.
- True Price has done around 100 true pricing projects ranging from SMEs to multinationals and a variety of commodities.
- True Price is based on the work of Impact Institute (spin-off of True Price), which is a member of the Circular Economy 100 program of the Ellen MacArthur Foundation.







# ABOUT THE ECOSYSTEM

*True Price B.V. is part of an ecosystem of organizations working on the realization of the impact economy.*



TPBV helps companies to decrease externalities on portfolio level, through transparency and payments.

Portfolios can cover menus, assortments, categories, or larger sets of raw materials/ingredients.

Typically, they are assessed based on secondary data sets, supplemented with (increasingly) primary data.



TPF has 3 main activities:

- To develop and maintain the **True Price Standard** and ensure it gains authority for worldwide adoption
- To activate governments, civil society organisations, trade unions, knowledge institutions and companies for the adoption of true prices, through the **Global True Price Partnership**
- To mobilize the demand for true prices among consumers through the **True Price Movement**



xxxx



Why true pricing?

02



# WHY THE CURRENT FOOD SYSTEM IS NOT SUSTAINABLE

*The global food industry has to transition towards a sustainable situation, respecting human rights and within the planetary boundaries, if it aims to feed 10 billion people in 2050.*

- There is more food produced today than ever recorded. We currently produce enough food for everyone. However, almost 800 million people remain undernourished. Moreover, the global population is growing and prosperity is increasing. This increases the demand for food.
- Agriculture occupies almost half of the plant-habitable surface of the planet and uses 69% of fresh water. Industrial fishing has led to the collapse or total exploitation of more than 90% of the world's marine fisheries. Animal proteins are the primary driver of tropical deforestation. The food system is responsible for 25 – 30% of GHG emissions and the largest contributor to the depletion of biodiversity..
- The agri-food sector is the world's largest economic sector. Half the global workforce is employed in agriculture. Smallholders and fishers experience poverty, without access to education, employment, economic and social infrastructure, and political representation. Many do not receive living incomes or wages, and work in unacceptable conditions.
- Though its environmental and social impact is huge already, by 2050 food output has been predicted to be increased by 60% to feed over 10 billion people. The global food industry has to transition, rapidly.



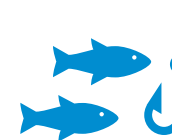
**800 million** people undernourished



**69%** of all freshwater in the world



**Almost half** of the plant-habitable surface of the planet



**34.2%** of fisheries are overfished

# WHY EXTERNALITIES ARE A MAJOR PROBLEM IN OUR FOOD SYSTEM

*Externalities are not hypothetical. Not paying the true price now will lead to higher costs, now and in the future.*

- To transition the food industry towards a sustainable model, we need to understand its key problem: externalities.
- Currently, the costs of environmental and social impact of food production and consumption are being passed on to society and future generations. In this situation, the one responsible for the damage, doesn't pay for it. The costs to remediate the damage are not included into the price of the products. These type of costs are called 'externalities'.
- These are not hypothetical costs. Unfortunately, we are increasingly seeing the true costs of climate change, decline of biodiversity, water shortages, and many more.
- Externalities present a huge blind spot in the food industry, making it unsustainable and inefficient. If externalities are the problem, internalization might be the solution.

## Last Year's Drought Cost Ag Industry More Than \$1 Billion, Thousands of Jobs, New Analysis Shows



By Lorena Anderson, UC Merced

February 24, 2022



Commodities

### Shipping disruption continues as Rhine water levels fall again in Germany

Reuters

Press releases

#### Deloitte Report: Inaction on Climate Change Could Cost the US Economy \$14.5 Trillion by 2070

The U.S. economy could gain \$3 trillion over the next 50 years if it accelerates towards a path of low-emissions growth

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**Bloomberg**  
Europe Edition

## Destroying Biodiversity May Cost the World \$2.7 Trillion a Year

- World Bank says existing economic models are too optimistic
- Bank warns on risks to food from fisheries, forestry timber



# WHY WORK TOWARDS INTERNALIZATION

*If externalities are a problem, internalization might be a solution.*

- In general, companies do not have to be concerned about the environmental and social impacts they cause beyond legal limits. Thus, environmental and social costs are not incorporated by the polluter, that is, they are not internalized (Antheaume, 2004).
- Internalization of externalities refers to all measures (public or private) that guarantee that unpaid benefits or costs are taken into account in the composition of goods and services prices (Ding et al., 2014).
- Internalization provides market players detailed, product-level information about the sustainability performance of a product or service. It informs all involved and incentivizes them in a number of ways.
- It is, therefore, considered one of the most effective instruments to combat global crises, like the climate, biodiversity, poverty, and other crises.



# What is true pricing?

# 03



# WHAT ABOUT TRUE PRICING

*True Pricing is the calculation and improvement of the true price of a product.*

True Pricing is the calculation and improvement of the true price of products. The true price of a product is the conventional price including the external social and environmental costs.

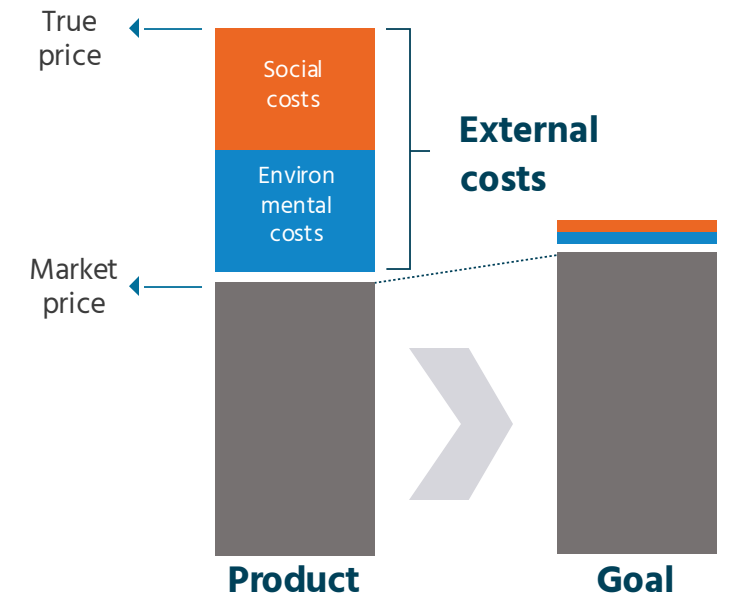
Calculating a true price consists of 3 phases:

1. Assessing the entire value chain of a product;
2. Mapping the violations of human, sustainability and labour rights in the value chain;
3. Calculating the cost to remedy these violations. The remediation costs are the sum of repairing, compensating, preventing and possibly fining the violations.

True price information can be used to improve (decrease) the true price of products, by:

1. Provide market players with insight into the place in the value chain and the extent of the costs. Based on this, parties can reduce external costs through innovation.
2. To offer more transparency to market players so that they choose the more sustainable alternative and that share grows.
3. To make consumers or other market parties pay the true price. The additional contribution will make it possible to repair the damage and reduce future external costs.

*Visualization of the true price of a product and the purpose of true pricing.*



SUSTAINABLE  
DEVELOPMENT  
GOALS



UNITED NATIONS  
HUMAN RIGHTS  
OFFICE OF THE HIGH COMMISSIONER



International  
Labour  
Organization



PARIS2015  
UN CLIMATE CHANGE CONFERENCE  
COP21 · CMP11



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INTEGRATED  
REPORTING

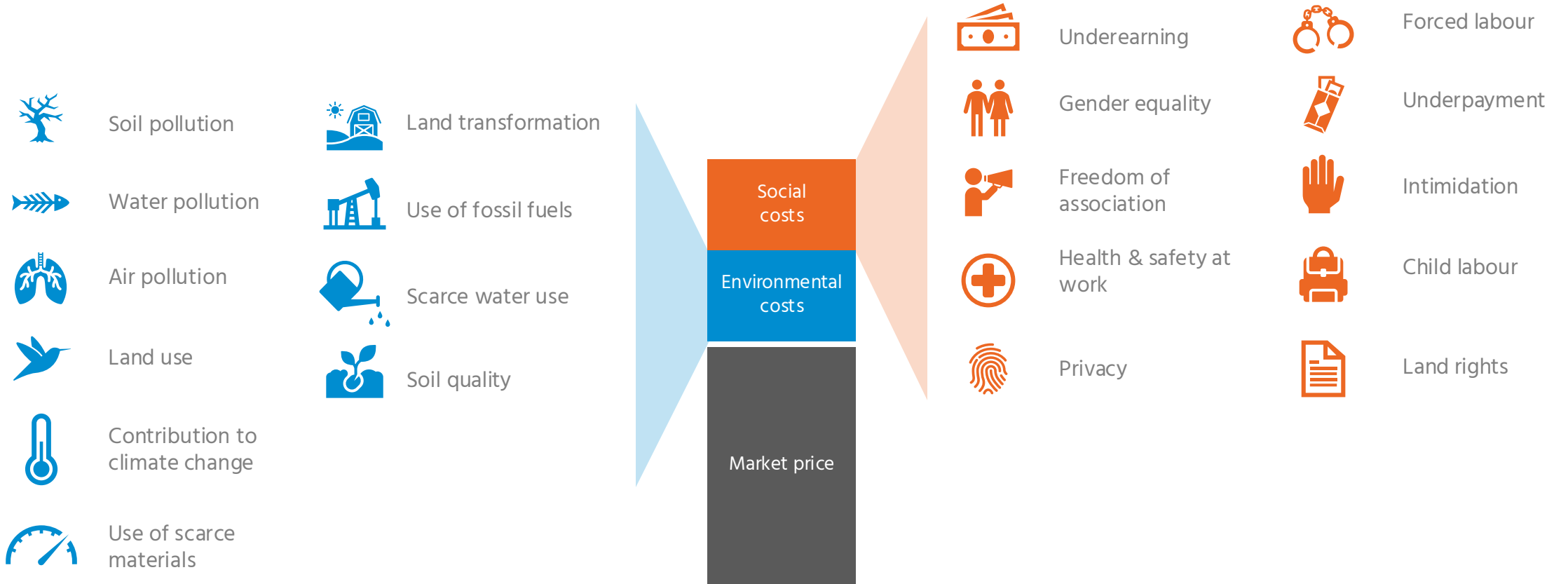


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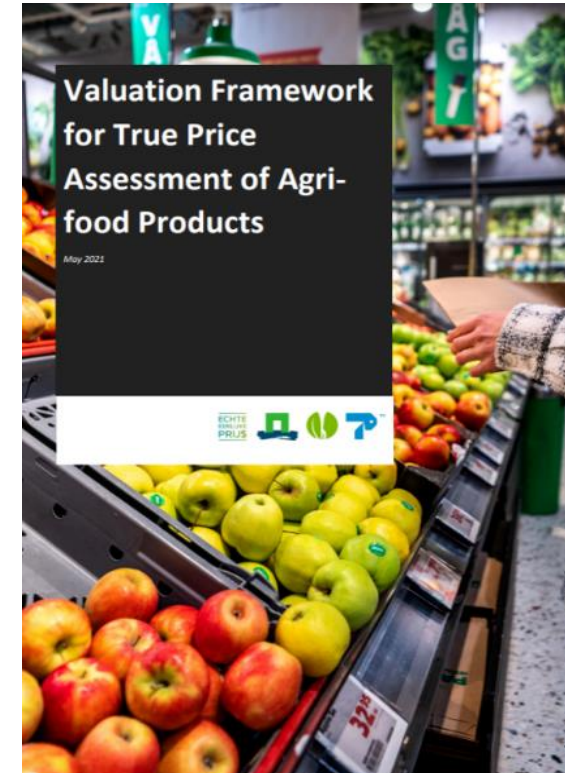
# WHAT WHICH SOCIAL AND ENVIRONMENTAL COSTS ARE INCLUDED

The selection of external costs is based on international legal frameworks, like the UN International Bill of Human Rights. Check <https://trueprice.org/principles-for-true-pricing/> for more information.



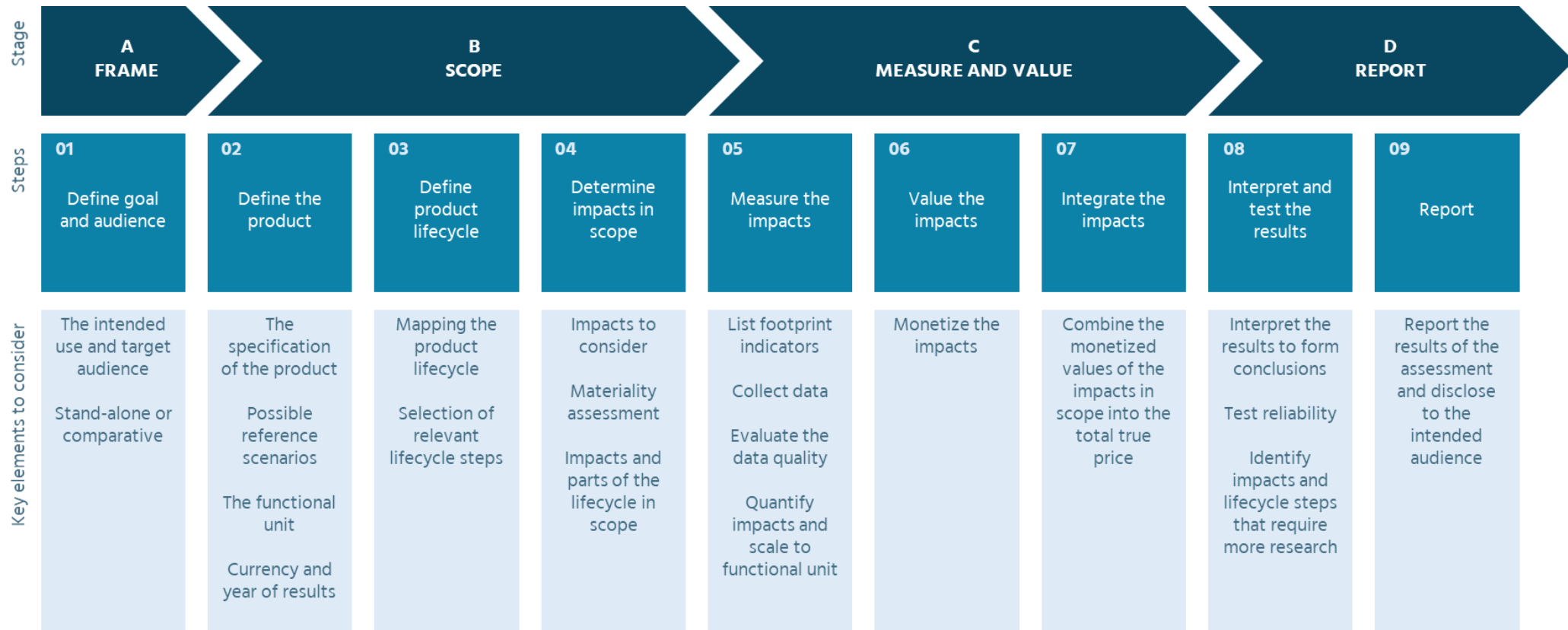
# WHAT TRUE PRICE FOUNDATION DEVELOPS OPEN-SOURCE METHODS

*The True Price Foundation – a separate entity – develops open-source methods to calculate true prices.*



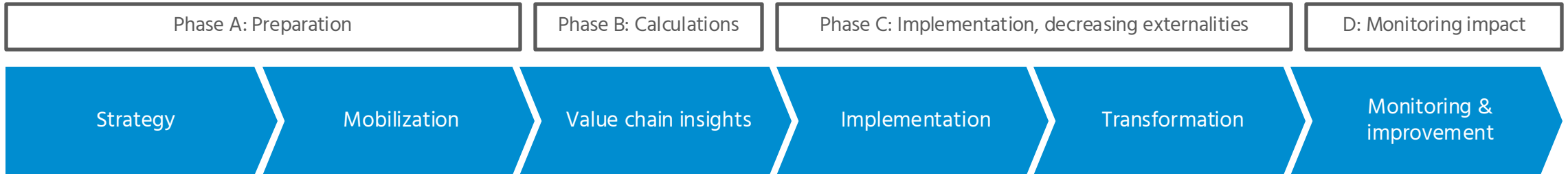
# WHAT THE PROCESS OF CALCULATING TRUE PRICES

*The calculation of a true price follows a standardized process, developed by True Price in cooperation with Wageningen University, ABN AMRO, and Rabobank among others.*



# WHAT THE TRUE PRICE JOURNEY

*True pricing is the calculation and improvement of true prices. The True Price Journey describes a 6 steps approach that organizations can follow to implement true pricing.*



1. **Strategy.** Determine the intention and strategic goals of true pricing at your organization, ideally related to existing or to be developed sustainability and business strategy.
2. **Mobilization.** Involve organizations in the value chains and build internal capacity. For example, communication, IT and/or account managers.
3. **Value chain insights.** Calculate the true price of your product and/or portfolio of products.
4. **Implementation.** Make a plan of action and implement true pricing into your organization, to reach the strategic goals determined in the first step.
5. **Transformation.** Implement the action plan and transform your organization step-by-step towards an impact driven organization, steering on decreasing negative externalities while optimizing profitability.
6. **Monitoring and improvement.** Monitor insights to improve true pricing, tweak the strategy and optimize value creation.

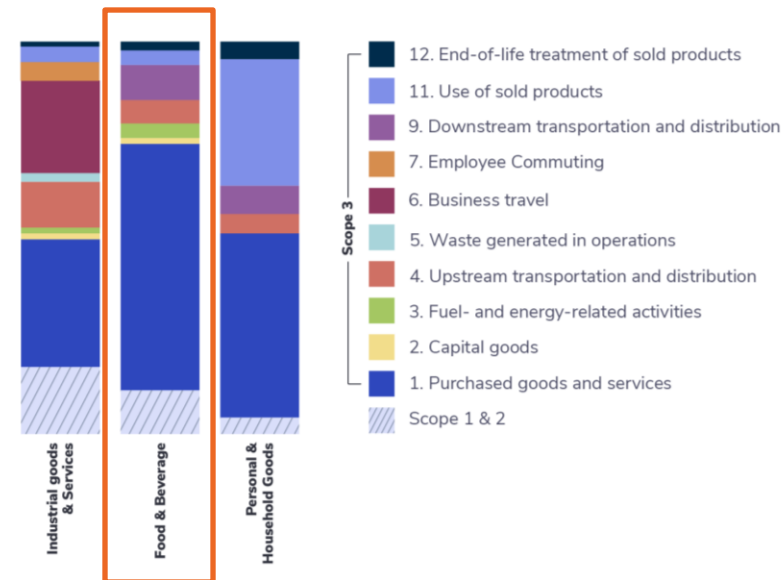


# WHAT WHERE YOU CAN MAKE A DIFFERENCE

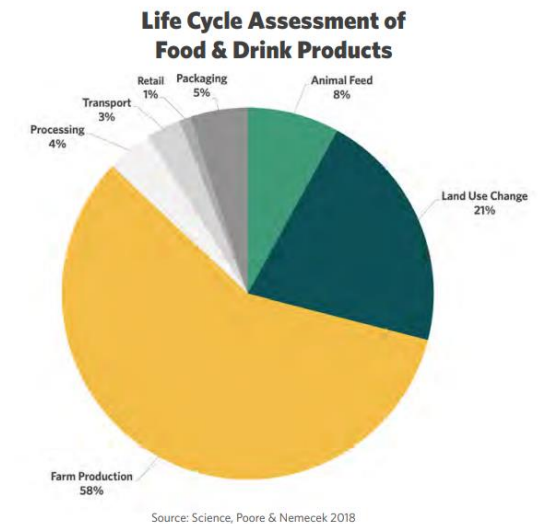
*The biggest impact of companies in the food sector is in the cultivation and production phase of the products.*

- In food products (as with many other consumer products), the largest share of a company's impact occurs in the upstream part of their value chain – i.e. the raw materials, ingredients and/or products they buy. A first step to become more sustainable is to measure the impact of that part of their value chain.
- Diving into the impact of raw materials, we see that a substantial part of the impact is linked to the cultivation phase, e.g. on farms. This shows that the most impact can be made on the farm, at your suppliers.
- Other parts – like packaging, transport, and energy used – are often less material impacts.

*The impact of products in the food sector*



*The division of impact per product*



How can you  
use true  
pricing?

04

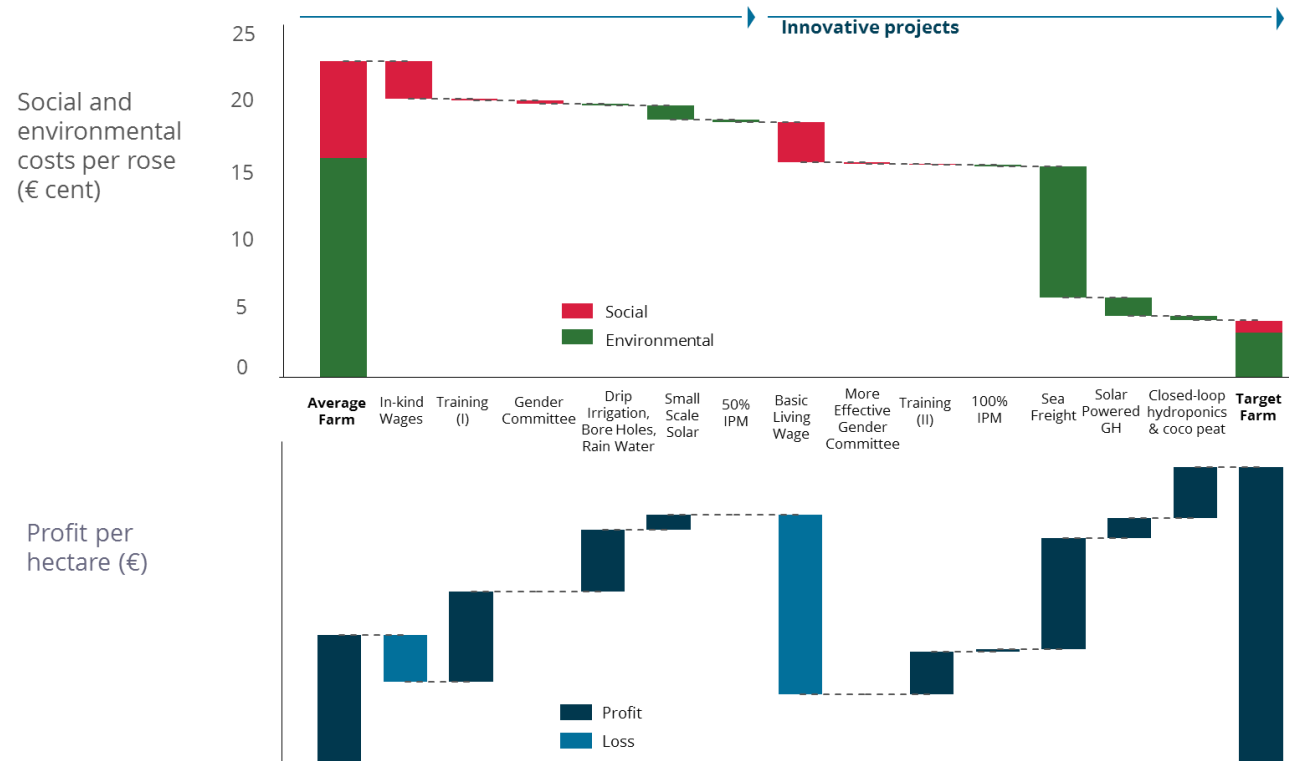


# HOW IMPROVE YOUR PRODUCTS

*True price assessments provide detailed information to improve the sustainability performance of products through innovation and interventions.*

- Decreasing externalities starts with understanding which externalities your product has, how big they are, where (in the supply chain) they arise, and what the underlying drivers are.
- A true price assessment – when executed well, dependent on the data used – provides an exhaustive and detailed overview of the impacts of a product. Based on this information, companies can start working on decreasing the externalities.
- For example, companies can work out interventions or innovations that decrease externalities, while remaining profitable.

*True price information can help companies develop a plan to decrease the true price gap over time. Based on it, companies can identify, assess, and prioritize interventions and innovations. Below an example for roses, which includes interventions to decrease the true price gap and an assessment of the profit/loss. It shows that sustainability can go hand in hand with profitability. True pricing provides the information to do so.*



# HOW OPTIMIZE YOUR ASSORTMENT

*True pricing provides information to optimize your assortment (like menu's, categories, etc.) towards the lowest size of externalities.*

- Category management
- Procurement
- Product placement
- Promotion



# HOW INFORM CONSUMER THROUGH TRANSPARENCY

*Showing true prices in a (web) store, restaurant or elsewhere can help consumers make an informed decision, shifting consumer choices from less to more sustainable options.*

Societal trend: protein transition

## Minder vleesconsumptie dankzij klimaatwaarschuwing op menukaart

Labels op menukaarten die de negatieve klimaatimpact van het eten weergeven, zorgen ervoor dat we eerder voor een duurzamere optie gaan. Zo laat een groot deel van de mensen rood vlees staan. Dat blijkt uit nieuw onderzoek van de Amerikaanse Johns Hopkins-universiteit.



# HOW REMEDIATE EXTERNAL COSTS THROUGH TRUE PRICE PAYMENTS



# HOW INTEGRATE TRUE PRICING IN YOUR SUSTAINABILITY STRATEGY

*Food sustainability covers many aspects. True pricing can integrate them into a consistent framework.*

- Few consumers are aware of the impact of their food on the environment and their own health, but the demand for it is growing. Radical transparency is becoming the norm.
- There are a lot of (new) initiatives in the food industry that help companies to provide more transparency and/or to set standards and norms. These typically focus on a selection of the following subjects:
  - **Reducing the impact** on the environment, climate and living environment.
  - **Animal welfare**: there is a strong growth of the 'Better Life' quality mark on the meat shelf.
  - **Packaging**: there is more resistance to (plastic) packaging of products.
- **Health**: more consumers are more aware of their diet and are eating tailor-made food.
- **Food waste**: a lot of food is thrown away and wasted in the chain, both by the consumer and by industry, retail and hospitality.
- **Traceability**: there is more and more transparency about more sustainable production, the composition of a product, fair working conditions and animal welfare.
- True pricing can serve as a holistic approach that integrates sustainability initiatives, projects, objectives, and strategy into consistent impact framework.

*True pricing can serve as a holistic framework for your sustainability initiatives, objectives, and strategy.*



What is the  
added value  
of true  
pricing?

05



# VALUE BUSINESS OPPORTUNITIES

*True pricing can help to reach your business objectives in multiple ways.*

- The days that 'sustainability' was a marketing trick are behind us. Nowadays, consumers, investors, governments, and other stakeholders expect companies to take responsibility through thorough, consistent, and effective impact measurement, improvement, and transparency. Doing this well, provides great business opportunities for your company.
- True pricing is one of the highest standards in product-level sustainability transparency and a proven instrument to structurally decrease externalities. It can help you to reach your sustainability and business objectives, as it aligns with a number of societal trends and developments.

## **Growing number of consumers demand transparency**

The consumer's need for transparent information about sustainability continues to grow. About **56%** of consumers in The Netherlands prefers brands that are transparent about their impact.

## **The EU is preparing legislation**

Governments are asking transparency from food companies at product level. The EU is developing a mandatory front-of-pack labeling scheme called the Product Environmental Footprint (PEF), which covers 16 dimensions of a product's impact. This is scheduled to be developed in the next 2 years\*.

## **Improve your brand, realize higher revenue, and attract Gen-Z**

Personal values affect brand loyalty. As concern around climate change and social justice issues grows among consumers, they realize their money counts. Over 84% of people said they are more inclined to buy from a brand whose values align with their own. Over 90% of Gen Z respondents based their brand loyalty on shared values.



# VALUE PROFITABILITY

- De Aanzet
- Deloitte?



# VALUE TRENDS IN SOCIETY

- Protein transition



# How do consumers respond to true pricing?

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# 06



# Broader developments

# 07



**Our products**

**08**



# PRODUCTS TRUE PRICE CALCULATION - STAND ALONE

- Bottom-up
- Top-down
- Hybrid



# PRODUCTS **IN-STORE IMPLEMENTATION**

- Calculation
- Implementation
- Communication
- Remediation

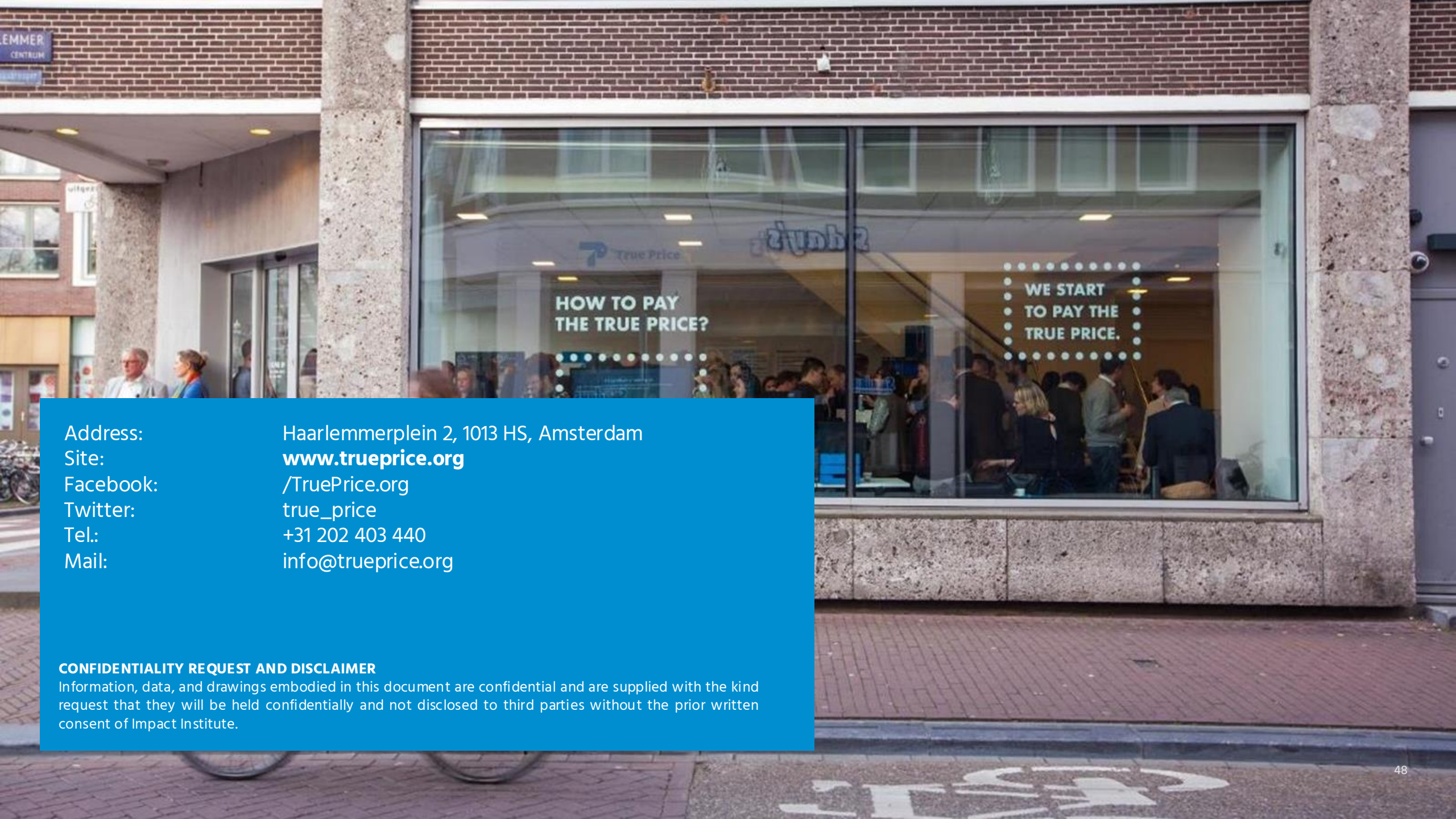


# PRODUCTS **TRUE PRICE MONITOR**



# PRODUCTS TRUE PRICE COFFEE BAR & CANTEEN





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# LOGISTICS INDICATIVE PLANNING AND BUDGET RANGES

*The timelines and budget ranges are indicative. The final timelines and budgets depend on the final scope.*

- The project options follow a similar structure, which includes scoping, data collection, calculation, validation and reporting. We expect the following timelines for the different project options:
  1. ~ 6 months
  2. ~ 9 months
  3. ~ 12 months
- We can start when the contract has been signed by both parties and we have formed a team.
- The budget ranges are based on a standard mixed rate of €1.485 per day (excl. 21% VAT). The agreed budget will not be exceeded, without prior consultation. If the project demands such, for example as a result of the process turning out to be more complex than anticipated or due to changing starting points or increased demands during the run of the project, the required consultancy hours will be subject to prior consultation.

Workstream	Activity	# days	€ / activity
Option 1 - focus	Scoping	6-8	9 - 12 k.
	Data collection	6-8	9 - 12 k.
	Calculation & modelling	6-8	9 - 12 k.
	Data validation	2-3	3 - 4,5 k.
	Reporting	4-6	6 - 9 k.
	Project management (10%)	2-4	3 - 6 k.
<b>Subtotal option 1</b>			<b>40 - 60 k.</b>
Option 2 - medium	Scoping	14-16	21 - 24 k.
	Data collection	17-19	25 - 28 k.
	Calculation & modelling	15-17	22 - 25 k.
	Data validation	4-6	6 - 9 k.
	Reporting	6-8	9 - 12 k.
	Project management (10%)	5-7	7,5 - 10 k.
<b>Subtotal option 2</b>			<b>90 - 110 k.</b>
Option 3 - comprehensive	Scoping	20-22	30 - 33 k.
	Data collection	25-27	37 - 40 k.
	Calculation & modelling	23-25	34 - 37 k.
	Data validation	7-9	10 - 13,5 k.
	Reporting	9-11	13,5 - 16,5 k.
	Project management (10%)	8-10	12 - 15 k.
<b>Subtotal option 3</b>			<b>135 - 160 k.</b>

Workstream	Activity	# days	€ / activity
Communication	Support in communication materials	3-5	4,5 - 7,5 k.



# Appendix

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# A





**About us**

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**A1**

# APPENDIX ENVIRONMENTAL IMPACTS

*A full True Price assessment considers 10 environmental impacts – blue ones in scope*



## Water use

*The cost of extracting water from freshwater ecosystems with limited amounts of water*



## Non-renewable material depletion

*The value of primary extraction of scarce, non-renewable resources such as gold, zinc, copper and many more*



## Water pollution

*The impact on health and ecosystem, and economic costs of additional water treatment, associated with increased nutrient discharge into freshwater lakes and rivers*



## Land occupation

*The value of ecosystems lost through alternative land use*



## Land transformation

*The impact of transforming land from its original ecosystem to another, including the impact on local biodiversity*



## Air pollution

*The value of effects on human health from air pollutants*



## Soil pollution

*The impact of the release of harmful chemicals, like phosphorus or nitrogen into the soil*



## Fossil fuel depletion

*The impact of the use of fossil fuel in the production process*



## Contribution to climate change

*The discounted future costs of climate change for health, agriculture and economy due to greenhouse gas emissions*



## Soil degradation

*The impact of the loss of carbon in the soil*



# APPENDIX SOCIAL IMPACTS

*A full True Price assessment considers 9 social impacts – orange ones in scope*



## Gender equality

*The value of the pay gap between female and male employees along the value chain*



## Excessive and unpaid overtime

*The value of unpaid and excessive overtime worked*



## Lack of social security

*The cost of not providing legally required social security benefits*



## Freedom of association

*The impact of denying workers the right to join unions or other work-related organizations*



## Child labour

*Presence of child labour in own operations and in the value chains*



## Occurrence of harassment

*The occurrence and cost of sexual and non-sexual harassment towards workers in the value chain*



## Underpayment in the value chain

*The gap between workers' wages, the local minimum wage and the local living wage*



## Negative effects on employee health & safety

*The occurrence of accidents in the value chain and cost of workers performing work in unsafe conditions*



## Forced labour

*Presence of forced labour in own operations and in the value chains*



## Underearning

*The gap between the income of smallholder farmers and the living income*



Cases

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A2

# APPENDIX CASE EXAMPLE | DE AANZET

## *The world's first true price supermarket*

### Client

De Aanzet, an organic supermarket based in Amsterdam, is the first supermarket in the world to charge true prices for its products. As of late 2020, de [Aanzet](#) started this by introducing true prices for a select number of fruits, vegetables and bread.

### Project description

True Price, Impact Institute's sister organization, calculated the true prices for fruits, vegetables and bread using the True Price methodology. The true prices currently introduced at De Aanzet include the market price, costs of underpayment, contribution to climate change, land use and water use.

It is not yet feasible to send the generated extra income to where the environmental/social issues

arise. Therefore, True Price and de Aanzet have chosen to invest the money paid for contribution to climate change, land use and water use to the Land Life Company (who help reforest the planet). The money paid by consumers for underpayment is donated to Give Directly, a non-profit organization which transfers cash to households in African countries who live in extreme poverty.

### Benefits to the client

De Aanzet can proudly claim to be the first supermarket to charge its customers the true price. The store and its mission is used as an example of a front runner to raise awareness amongst customers and encourage other businesses to follow suit.



# APPENDIX CASE EXAMPLE | FAIRTRADE

## Global study on banana production externalities

### Client

Fairtrade International is a multi-stakeholder association with 3 producer networks, 25 local (Fairtrade) organisations, and an overarching independent certification body called FLOCERT.

### Project description

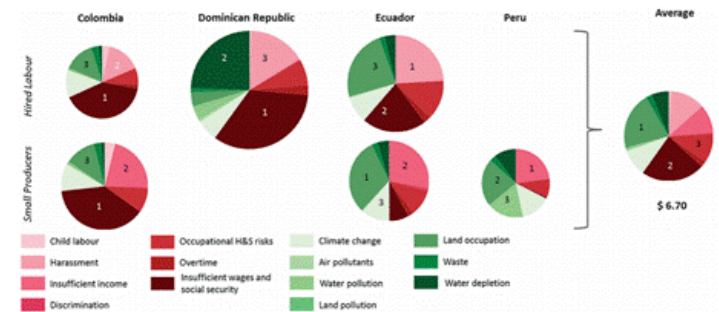
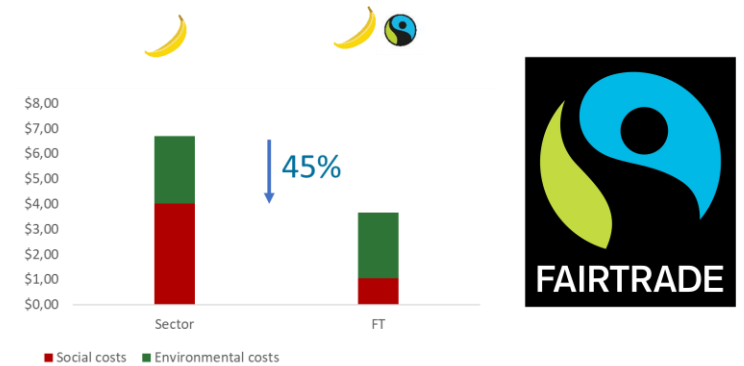
With the help of the Impact Institute, Fairtrade International wanted to gain more insight into the environmental and social externalities of banana production in order to define priority areas for improvements and evaluate the impact of their own projects.

We conducted a global study examining the externalities of certified and conventional banana production in four countries: Colombia, Dominican

Republic, Ecuador, and Peru. The results were broken down per country, between smallholders and plantations, and based on certification status.

### Benefits to the client

This study gave Fairtrade International insight into the materiality of external costs of certified bananas compared to the sector on a global scope. This allowed them to shape their strategies for supporting producer organizations. Furthermore, the results of our work can be used in communication strategies to stakeholders, for instance if Fairtrade International wants to prove the urge to take action to solve key supply chain issues.



# APPENDIX CASE EXAMPLE | SOLIDARIDAD

## *The True Price of Mexican climate-smart agriculture (CSA) coffee*

### Client

Solidaridad is one of the largest sustainable supply chain NGO's focusing on producer support, supply chains, and market development. Working with partners in Latin America, Solidaridad is implementing climate resilient interventions (CSA) in coffee production processes.

### Project descriptions

Solidaridad aimed to quantify the impact of CSA interventions and an impact return on investment analysis to scale up investments. The impact Institute developed measurement framework for true pricing and true return on investment were used to calculate these.

### Benefits to the client

Solidaridad gained a comprehensive overview of the impact of Climate-Smart and standard coffee production in Mexico. The results explored the drivers of all externalities in both processes and detailed how changes in practices can affect these. The study demonstrated that producing CSA coffee is more sustainable and better contributes to a decent livelihood for Mexican farmers.

[The project results](#) helped Solidaridad improve reduce the unknown costs and risks of investments. It also helped to increase accountability to stakeholders and better attract future funding for climate resilient programs.

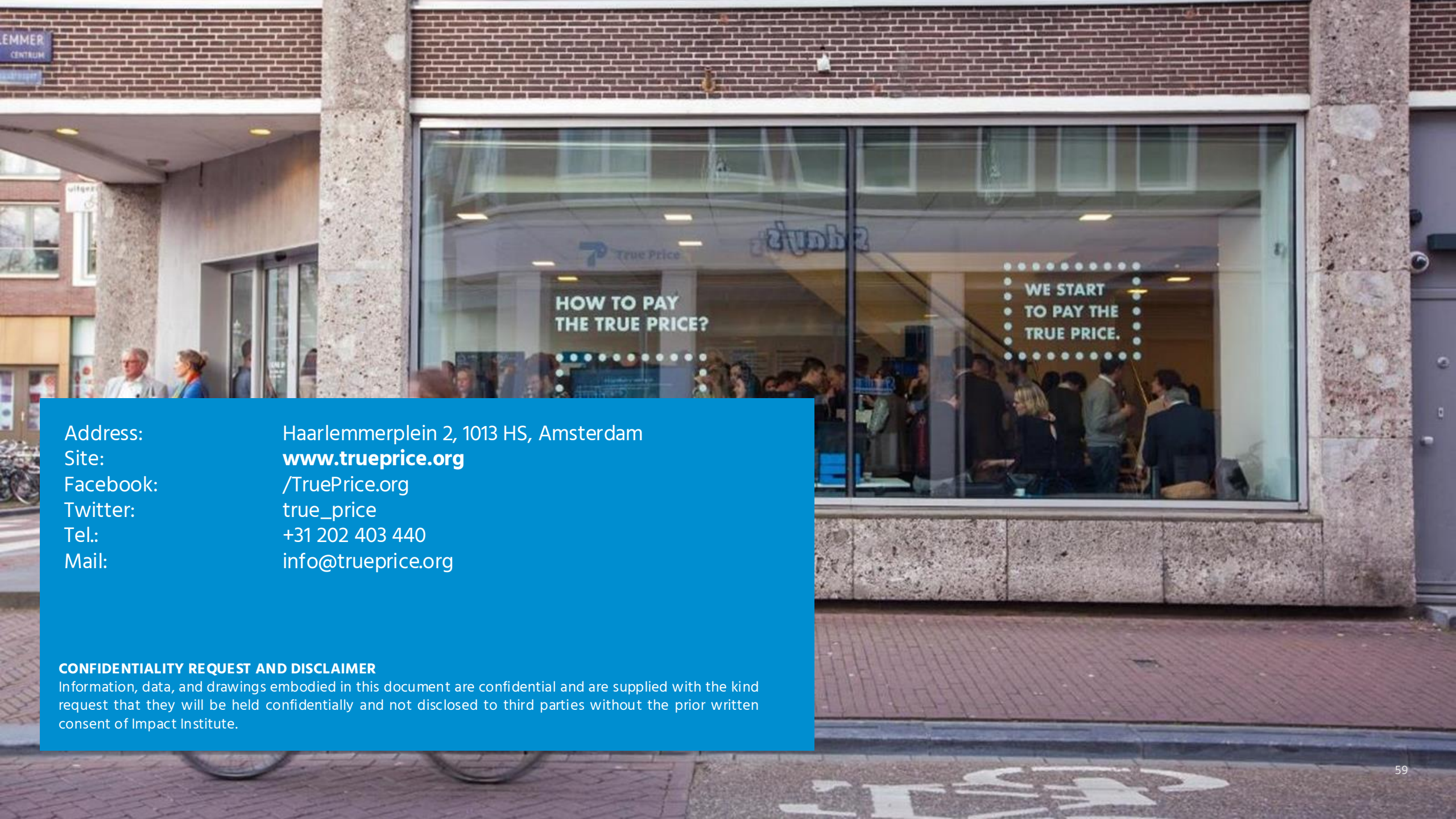




# Consumer research

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# A3



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