

Current Approaches to Assessing **Social Capital** in True Cost Accounting

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True Cost Alliance Brown Bag Lunch, 24 February 2026

AGENDA

- 01 Insights on social capital assessment from the PLAN'EAT project
- 02 Expert opinions on social capital assessment by Emilia Schmitt, Pietro Galgani, and Frank Bunte
- 03 Discussion and Q&A

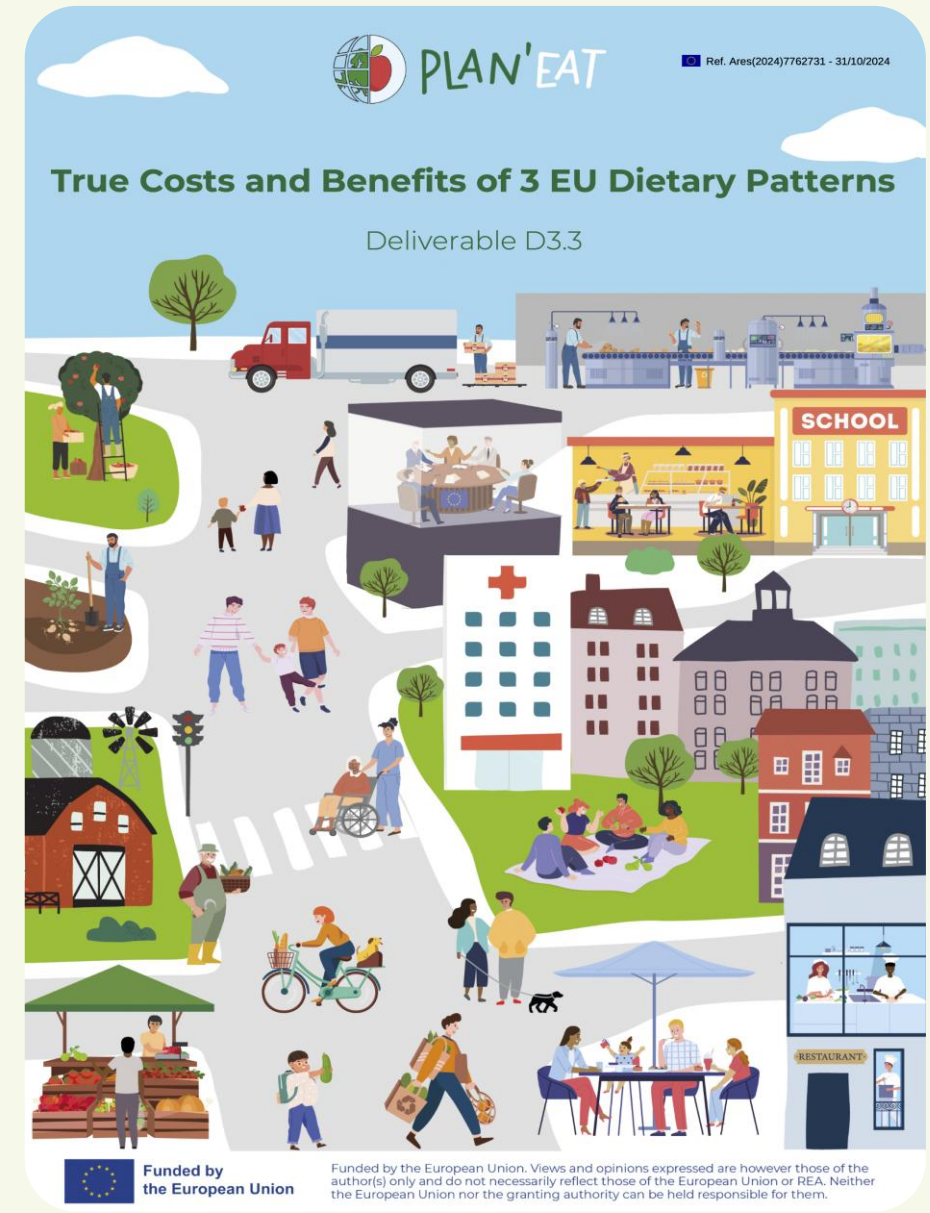
Current Approaches to Assessing Social Capital in True Cost Accounting

A person wearing a grey hoodie and dark pants is walking away from the camera through a field of green plants. They are carrying a large, colorful box on their head. The background is a vast field of similar plants under a hazy, orange-tinted sky. Another person is visible in the distance, also working in the field.

Challenges, current practice, and the role of the Social Hotspot Database

The PLAN'EAT Project

- TCA of three European diets
- Assessed environmental and health costs and social risks of European diets
- Investigated the possibility of adding social impacts in the True Costs of Food Database
- Currently preparing a brief on Social Capital Assessment in True Cost Accounting of Food Systems



What do we mean by social capital?

Social capital refers to **networks, institutions, and norms** that foster **cooperation** (TEEB, 2018). In food systems, that includes impacts on:

- Relationships from production to consumption
- Workers' rights
- Community well-being
- Governance

...but what is defined as social capital may **overlap with human capital** across frameworks (e.g. child labour, forced, labour, occupational health and safety).

What do we mean by social capital?

Social topics for workers:

- Occupational health and safety
- Remuneration
- Child labour
- Forced labour
- Discrimination
- Freedom of association and collective bargaining



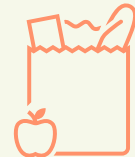
Social topics for local communities:

- Health and safety
- Access to material and immaterial resources
- Community engagement
- Skill development
- Contribution to economic development



Social topics for users:

- Health and safety
- Responsible communication
- Privacy
- Affordability
- Accessibility
- Effectiveness and comfort



Social topics for small-scale entrepreneurs:

- Meeting basic needs
- Access to services and inputs
- Women's empowerment
- Child labour
- Health and safety
- Land rights
- Fair trading relationships



Why does social capital assessment matter in food systems?



Food systems rely heavily on human labour.

Major social issues include:

- Hazardous agricultural work
- Precarious migrant and seasonal labour
- Child labour in global supply chains

The problem: Social impacts remain **underrepresented** in TCA

Why?

Not due to a lack of concern—due to lack of **tools** to estimate social capital impacts

Challenges are:

- Social impact assessment **methodologically underdeveloped**
- **Limited secondary data** (and primary data collection is time-consuming)
- **Unavailability of monetization factors**

Existing TCA studies and gaps

 **Journal of Cleaner Production** 
Volume 524, 15 September 2025, 146224

True Cost Accounting for Food application: Environmental, social and health impacts of bread

Agathe Crosnier^a  , Gino Baudry^a, Laurence Jeangros^b, Eliane S. Meier^c, Giulio Cisco^d, Laura Spring^e, Dominique Barjolle^f

 **Environmental and Sustainability Indicators** 
Volume 28, December 2025, 100842

The true price of fatty fish: Health effects and environmental externalities in the production and consumption of wild-caught and cultivated fatty fish in the Netherlands

L. Jacky Florencio^{a,b}  , Elisabeth H.M. Temme^a , G. Ardine de Wit^{a,b} , Jeljer Hoekstra^a 

 **animal** 
Volume 19, Issue 8, August 2025, 101591

Short Communication: True Cost Accounting (TCA) as a transformative approach for livestock agri-food systems

W. Baltussen^a  , C. Bonnet^b, F. Bunte^a, M. van Galen^a, C.L. Giagnocavo^c, D.A. Kenny^f, A. Oosterwijk^a, L. Smith^{d,e}, J. Snoek^a, I. Verweij-Novikova^a, L. Vissers^a, C.P.A. van Wageningen^a







Pattern: Social capital is considered, but the assessment covers only selected categories and lacks comprehensive coverage.

Emerging approach: social risk assessment

Article

True Cost Accounting Using Life Cycle Assessment Methods and Data: A Case Study Comparing Palm, Rapeseed, and Coconut Oils for Sustainability and Nutrition

Mauricio R. Bellon ^{1,*}, Nicholas Benard ¹, Maricarmen Vizcaino ^{1,2}, Kathleen Merrigan ¹
and Christopher Wharton ²

Recent and forthcoming studies carry out **social risk assessment** using the Social Hotspot Database (SHDB), with focus on:

- identifying hotspots
- highlighting risk exposure

Upcoming!

An Integrated Methodology for True Cost Accounting of Dietary Patterns: A Case Study of the Average Diet in Germany

Amelie Michalke*, Sandra Köhler, Olivia Riemer, Gültaç Çınar, Marlene Ohlau, Siranush Ghukasyan

Comparing dietary patterns in Germany, Ireland, and France using an integrated True Cost Accounting framework

Amelie Michalke*, Sandra Köhler, Olivia Riemer, Gültaç Çınar, Marlene Ohlau, Siranush Ghukasyan

What is the Social Hotspot Database (SHDB)?

- **Secondary database for S-LCA; identifies social risks in supply chains**
- **Scope:** 57 sectors (GTAP-aligned), 140+ countries, 6 categories, 26 sub-categories.
- **Dimensions captured:** Labor rights and decent work, health and safety, society (e.g., gender equity), governance, community, infrastructure
- **Approach:** Semi-quantitative; risk levels (low/medium/high/very high) based on data and expert judgment



How does the SHDB work?

Accessible with a licence through an LCA software.

Data requirements:

- the products/materials that are used to produce a product
- which of the GTAP sectors the materials/product belongs to
- source country
- Cost of materials/products



How does the SHDB work?

Social risks of beans from Ethiopia:

- Beans = fruit and vegetable sector
- Cost of beans = e.g., FAO producer prices \$/kg



In the SHDB there is:

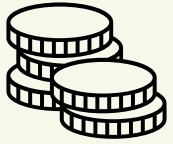
- **Labour information:** the sector's labour intensity (worker hours) for each country by dollar of output
- **Risk factors:** information on social risks by country and economic sector (mrheq/worker hours)

Risk Factors

Very high risk	10
High risk	5
Medium risk	1
Low risk	0.1

How does the SHDB work?

Social risk:



Costs (producer price) x
(\$/kg)



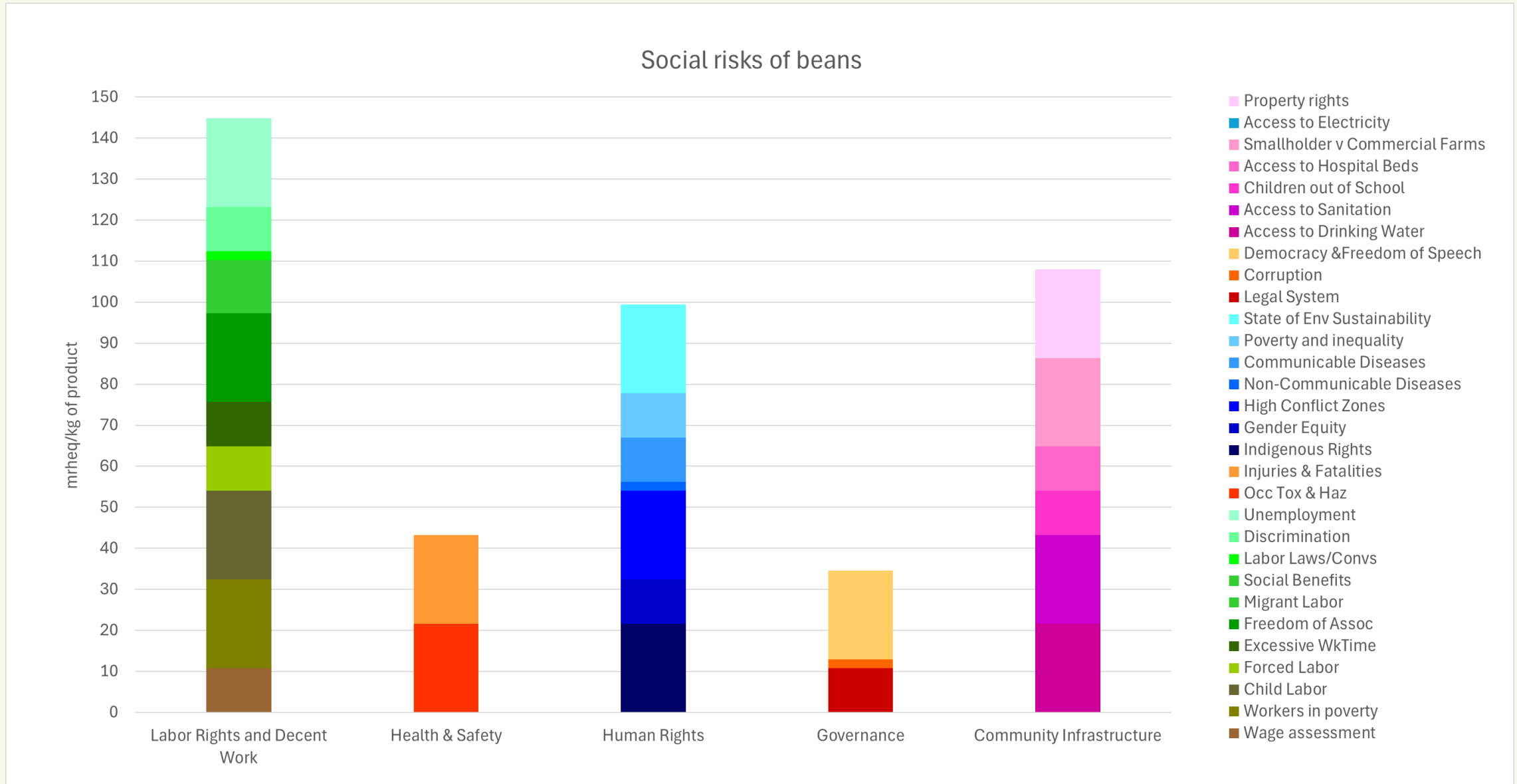
Labour intensity x
(work hour/ \$ of output)



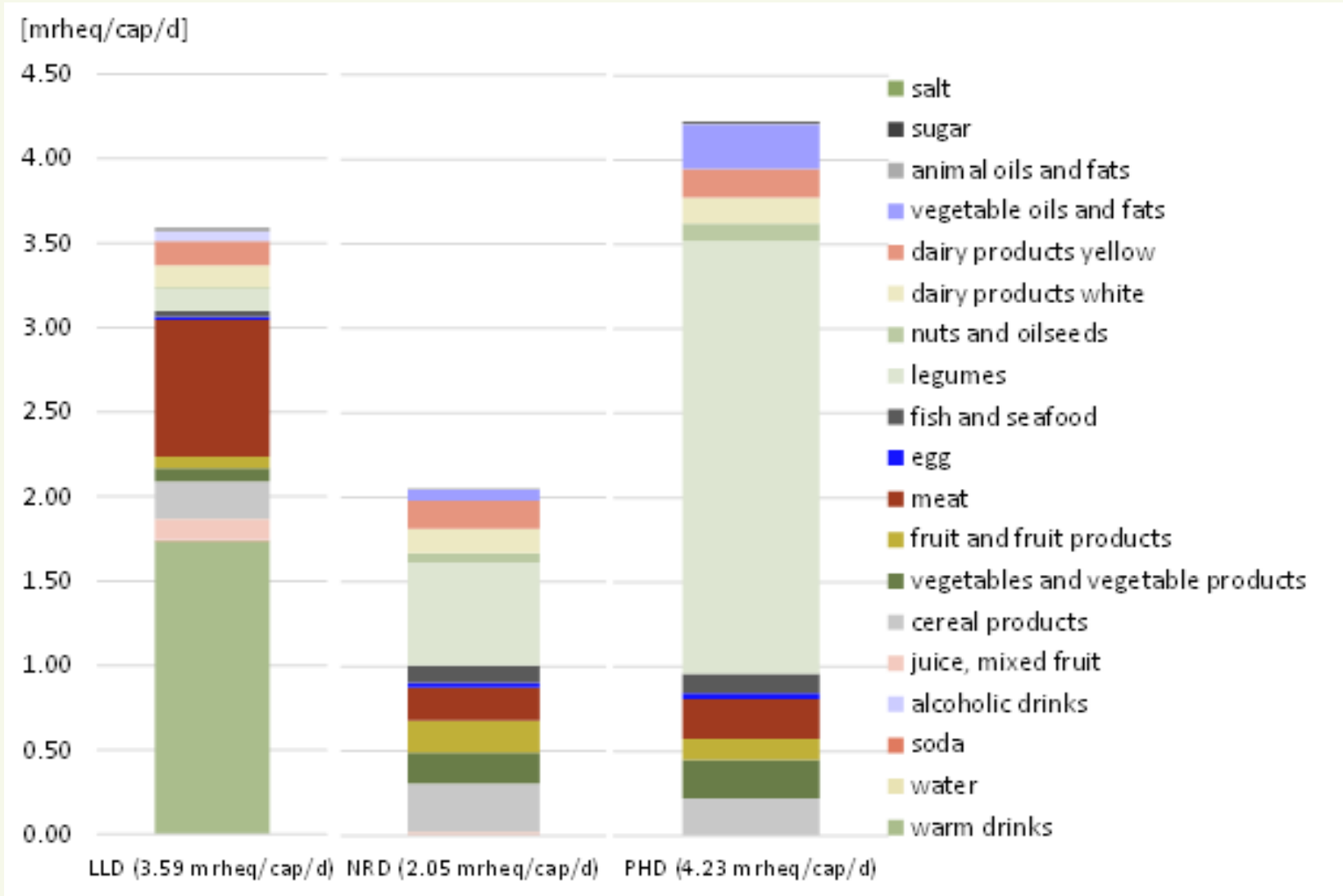
Risk factor
(mrheq/work hours)

= **medium risk hours equivalent (mrheq)/kg of product**

How does the SHDB work?



How does the SHDB work?



LLD = Living lab diet

NRD = National recommended diet

PHD = Planetary health diet

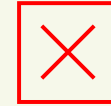
SHDB scope

What the SHDB can do:



- **Identify social risk hotspots**
- **Support comparison across products (to certain degree)/sectors**
- **Complement environmental and health TCA**

What the SHDB cannot do:



- **Measure actual harm and impact**
- **Replace primary data**
- **Provide monetary social costs**

Key limitations and uncertainties

- Risk-based, not impact/monetized (can't aggregate in TCA)
- Uncertainties due to characterization models used in the SHDB
- The scaling of risks is not always clear
- Use of secondary sector-level data can mask contextual differences
- Broad product groupings (e.g. both apples and legumes = “veg/fruits”)
- Only differentiation between products within a category comes from producer prices
- Direct comparison between products not possible due to categorization limitations
- No animal welfare information

Conclusion and way forward

- SHDB can be used to complement environmental and health cost assessments
- Offers a feasible first step towards the inclusion of social capital

Future priorities:

- Better data (disaggregated primary + secondary)
- Methodological advances
- Collaboration for comprehensive assessment

Expert opinions on social capital assessment

Emilia Schmitt

University of Lausanne

Pietro Galgani

True Price

Frank Bunte

Wageningen University & Research

Discussion and Q&A

Get in touch

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