

Tetra Pak

ACKNOWLEDGE
 PRIORITISE
 SET STRATEGY & GOALS
 TRACK

GHG EMISSIONS



Background on Tetra Pak

Tetra Pak is a Swedish multinational food packaging and processing company. It was founded in 1943 and is headquartered in both Lund (Sweden) and Lausanne (Switzerland). It offers packaging and filling machines for dairy, beverages, cheese, ice-cream, and prepared foods. It also offers distribution tools such as accumulators, cap applicators, conveyors, crate packers, film wrappers, line controllers, and straw applicators. It employed 23,500 people in the 170 countries in which it operates and reported revenues of €11 billion in 2014. It is a privately held company.

How did Tetra Pak come to start thinking about context?

Tetra Pak became a member of the [UN Global Compact](#) in 2004, committing to the implementation, disclosure, and promotion of ten of the principles set out by the compact^{1,2}. Up until 2010, Tetra Pak had been collecting GHG emissions data from its own business activities, but in 2010 the company began to expand its measurements to include the business activities of its value chain³. This allowed Tetra Pak to develop a robust GHG emissions baseline using the data it had collected over the years³. This work was reinforced by the establishment of a new internal climate strategy in 2011 that formally outlined the company's commitment to reduce not only its own GHG emissions but also those of its value chain³. At the same time, Tetra Pak set its first GHG emissions goal⁴. In 2013, Tetra Pak aimed to further strengthen the work it had been doing to measure its GHG emissions by engaging with an external auditing company to begin to verify its emissions data³.

¹ UN Global Compact (n.d.). Member information: Tetra Pak. Accessed at: <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/detail/6278>

² Tetra Pak (n.d.). Sustainability: Governance. Accessed at: <http://www.tetrapak.com/sustainability/governance>

³ Tetra Pak (2016). Sustainability Update 2016. Accessed at: <https://endpoint895270.azureedge.net/static/documents/sustainability/sustainability-update-2016.pdf>

⁴ Tetra Pak (2016). Tetra Pak Signs Paris Pledge for Action at COP2. Accessed at: <http://www.tetrapak.com/about/newsarchive/tetra-pak-signs-paris-pledge-cop21>

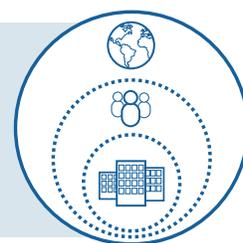
Ahead of [COP21](#) in late 2015, Tetra Pak added its name to the [Paris Pledge for Action](#) as a way to reinforce the company's commitment to tackling the impacts of climate change⁴. Tetra Pak's CEO, Dennis Jönsson, commented at the time that "Seeing so many business organisations, like our own, sign this pledge is a tremendous step forward in helping to address this very real and increasingly critical issue. But, of course, signatures alone are not enough. What matters now is that each company takes the actions they have pledged to take, and aligns their entire organisations behind the need to do things differently⁴." To further support its work on delivering on its GHG emissions reduction commitment, Tetra Pak joined [RE100](#) in June 2016, pledging to increase its use of renewable sources of electricity from 20% to 100% across its operations by 2030⁵. At the time, Charles Brand, Executive Vice President, commented that "since setting our climate goal we have maximised our efforts to reduce energy consumption; committing to a renewable electricity target is a natural next step. By joining RE100 we will benefit from expert guidance and peer-to-peer learning on renewable electricity options in different markets⁶."

Then in early 2017, the company's GHG emissions goal was validated by the [Science-Based Targets](#) initiative as being consistent with what is required to support limiting global warming to below 2°C (using the initiative's evaluation criteria)⁷. Tetra Pak became the first company within the food packaging industry to have its GHG emission goal validated by the Science-Based Targets initiative⁷. Mario Abreu, Vice President Environment, said at the time that "The collaboration with the Science-Based Targets initiative has helped us accurately define our GHG emissions targets and set a direction for the company in a scientific way. The new targets ensure we are able to openly and accurately demonstrate the contribution we are making to a low carbon economy among customers and other stakeholders^{5,7}."

What does context look like at Tetra Pak?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



GHG emissions: Tetra Pak acknowledges climate change as an important ecological issue and it has committed to account for, report on, and set goals to reduce its impact on this issue⁸. Tetra Pak has not explicitly outlined its acknowledgement of the link between GHG emissions

⁵ Clean Energy (2017). Tetra Pak sets new sustainability goals under science based targets initiative. Accessed at: <http://www.cleanenergynews.co.uk/news/efficiency/tetra-pak-sets-new-sustainability-goals-under-science-based-targets-initiat>

⁶ Tetra Pak (2016). Tetra Pak Commits to 100% Renewable Electricity by 2030. Accessed at: <http://www.tetrapak.com/about/newsarchive/100-renewable-energy-by-2030>

⁷ Tetra Pak (2017). Tetra Pak announces science based targets for climate impact reduction. Accessed at: <http://www.tetrapak.com/about/newsarchive/science-based-targets-for-climate-impact-reduction>

⁸ Tetra Pak (2016) Group Environmental Policy. Accessed at: <https://endpoint895270.azureedge.net/static/documents/sustainability/group-environmental-policy-2016.pdf>

and climate change or made a clear commitment to operate within the limits of this threshold. Tetra Pak has committed to work with its value chain to encourage it to identify opportunities within its business activities to reduce GHG emissions⁹. One of the initiatives that Tetra Pak has introduced to support this commitment is the [Carton CO₂](#) footprint aimed at estimating the GHG emissions for the life-cycle of its carton products⁹.

Other thresholds: Tetra Pak acknowledges the importance of other socio-ecological issues including waste, water, chemical pollution, food waste, and diversity but does not yet discuss them with reference to thresholds.

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS



While Tetra Pak does not transparently outline its approach to how it prioritises its key socio-ecological issues, it appears to use what we would call a ‘classic’ materiality approach whereby the expectations of its stakeholders are considered during the determination of what priority should be assigned to relevant socio-ecological issues. Tetra Pak does commit to support the [UN Sustainable Development Goals](#) (SDGs) and ensure that it considers the aims and goals of the SDGs when they align with Tetra Pak’s priority socio-ecological issues³.

GHG emissions: GHG emissions are relevant to Tetra Pak’s business activities because emissions are generated through the production of the raw materials it uses through to the use of its products by its customers⁹. Tetra Pak notes that over 80% of its emission arise from the production of raw materials and from the use of its processing and packaging equipment by its customers⁹. Tetra Pak has used this information to graphically present what it understands its impacts on climate change to be (Figure 1). It also uses its Carton CO₂ footprint tool to illustrate the climate impact during the life-cycle of some of its typical carton products to support its value chain in understanding how it could be impacting this ecological threshold¹⁰.

⁹ Tetra Pak (n.d.) Managing our impact: Climate impact. Accessed at: <http://www.tetrapak.com/ca/sustainability/managing-our-impact/climate-impact>

¹⁰ Tetra Pak (n.d.). Carton CO₂ Footprint. Accessed at: <http://www.tetrapak.com/sustainability/managing-our-impact/climate-impact/carton-co2e-footprint>

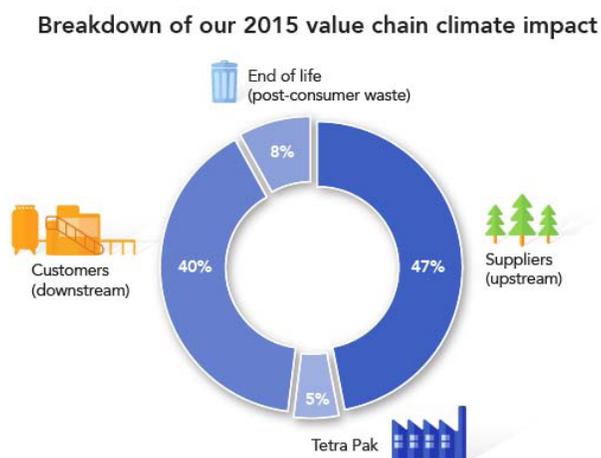
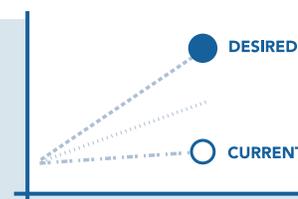


Figure 1: Tetra Pak's illustration of both its own impacts on climate change and the impacts that arise from the business activities of its value chain⁹.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: Tetra Pak has committed to reduce its scope 1 and 2 emissions by 42% by 2030 and by 58% by 2040 using a 2015 baseline¹¹. It has also committed to reduce its GHG emissions (scope 1, 2, and 3) by 16% per unit of revenue by 2020 using a 2010 baseline¹¹. These goals have been validated by the Science-Based Targets initiative (using the initiative's evaluation criteria), but Tetra Pak has yet to transparently disclose the assumptions and rationale that it used during the development of these goals. The company has committed to reduce GHG emissions across its value chain by using the best available climate science data, but this commitment currently only references GHG emissions arising from its own business activities and not those of its value chain⁸.

Other thresholds: Tetra Pak has not yet set contextual goals in relation to any other thresholds.

¹¹ Science-Based Targets (2016). Companies Taking Action: Tetra Pak. Accessed at: <http://sciencebasedtargets.org/companies-taking-action/>

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: Tetra Pak has a history of reporting its performance against this threshold for both its own operations and those of its value chain, presenting this in a graphical format (Figure 2 and 3). However, it has yet to use this data to set a realistic set of annual trajectory targets that could be used to monitor its progress towards achieving its goal. The company has not outlined if it intends to develop metrics or targets to monitor the effectiveness of its influence in supporting its value chain’s adherence to the limits of this threshold.

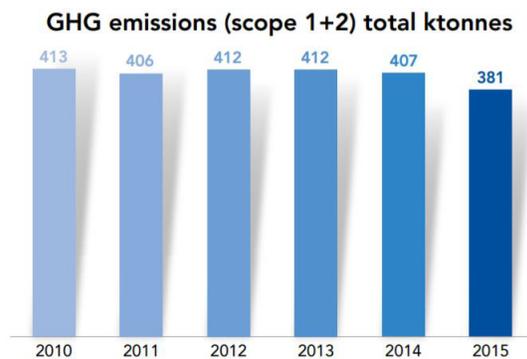


Figure 2: Graphical illustration of the GHG emissions from Tetra Pak’s own business activities³.

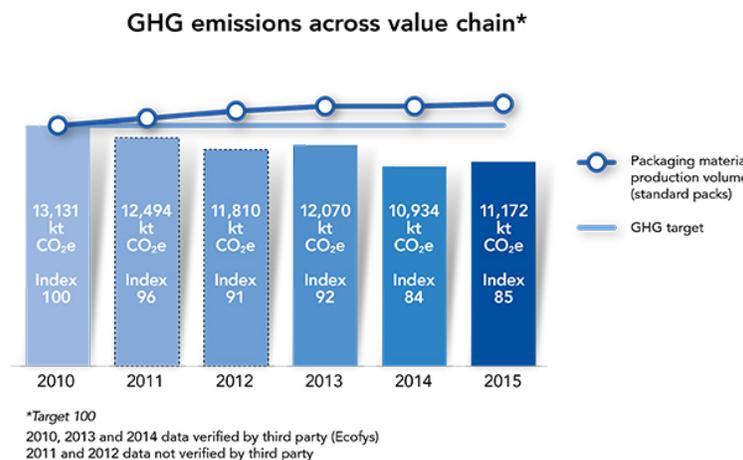


Figure 3: Graphical illustration of the GHG emissions from Tetra Pak’s value chain’s business activities⁹.

Other thresholds: Tetra Pak reports its performance against other socio-ecological issues including waste, water, chemical pollution, food waste, and diversity but does not yet report its progress in relation to their associated thresholds.

What is the road ahead for context at Tetra Pak?

Tetra Pak believes that it has a well-defined sustainability governance framework but it acknowledges that to achieve the contextual goals that it has set, it will need to work with other like-minded companies³. To support its efforts, Tetra Pak will be focusing on three areas, namely: driving energy efficiency, further reducing energy use, and investing in renewable energy projects⁷. Tetra Pak will also continue to introduce new technological innovations that will help further reduce the impact of its products and at the same time the company will also continue to focus on reducing the impacts it has on water⁷.