Resource efficient and sustainable buying in grocery supply chains

This report sets out the research process and findings from an investigation into buying practices in the grocery sector. Outputs from this work are published separately.
WRAP’s vision is a world where resources are used sustainably.

We work with businesses, individuals and communities to help them reap the benefits of reducing waste, developing sustainable products and using resources in an efficient way.

Find out more at www.wrap.org.uk
Executive summary

Resource efficiency and sustainability are fundamental to the long term success of the UK grocery sector because we live on a finite planet that has limited resources. Global demographics coupled with improving consumer lifestyles across the planet are giving rise to ever-increasing pressure on the planet’s natural resources.

Resource efficient and sustainable buying is the effective management of key resources used in the supply of food within the grocery sector - such as land, water, fuel, energy, waste and packaging. It is also about working with suppliers to ensure products and materials are sustainable – that environmental impacts and waste are minimised and that supply risks are understood and managed. Put simply, we have to create more from less, more and better food using the same or less land surface and other resources.

The traditional buying drivers of price and quality remain important and can deliver resource efficient outcomes. However, without embedding resource efficiency and sustainability directly into buying activity across supply chain activities, sustainability strategies are less likely to be effectively implemented. A good example is waste prevention. If a company has targets on waste prevention and wanted its supply chain to reduce waste, these could be communicated and managed through the buying processes. It could become a condition of supply that a waste prevention target was delivered.

The buying process between retailers and manufactures and between manufactures and their suppliers therefore provides an opportunity to link and embed corporate targets on sustainability and resource efficiency into how commodities and food products are purchased, to help deliver these corporate targets. While many companies use ‘scorecards’ to record progress on resource efficiency and sustainability by their suppliers these also largely remain unlinked to buying decisions.

Work was therefore commissioned on a project to engage the food sector and review buying practices in both retailers and manufacturers, and hence to identify and develop guidance that would support the industry to more fully integrate and embed resource efficiency and sustainability into their buying decisions and processes.

This report sets out the research methodology, providing a factual account of the research process and where that led in terms of developing material aimed at promoting resource efficient and sustainable buying practices. The overriding finding of the research is that corporate sustainability goals and food buying decisions are ‘disconnected’. Corporate sustainability goals now cover waste, carbon and water for example. However, buying remains driven by price, quality and availability. For food, changing behaviour is a complex issue involving brand managers, supply chain staff as well as category, buying and sustainability teams. The guidance, aimed at these teams, that has been developed as a result of this project is not published here. WRAP is undertaking some further testing of this material with a view to publishing it in early 2014.

The methodology for the Project is structured in three stages to deliver maximum insight for WRAP and other key stakeholders, as well as to ensure the guidance materials prepared are relevant and useful to retailers and food product manufacturers in the grocery sector.
Stage 1: Mapping and charting current organisational procurement processes and identifying key intervention points

This Stage consisted of engagement with a variety of organisations in the grocery sector and included the following steps:

- Step 1: Identify target organisations;
- Step 2: Engage with buying teams;
- Step 3: Review existing buying practices;
- Step 4: Review and analyse findings; and
- Step 5: Identify best practice and benchmarking existing practices.

Stage 2: Establishing and participating in a Working Group

The Project team established an industry Working Group to:

- Provide strategic, industry-wide advice to WRAP on the overall scope and delivery of the Project;
- Promote the Project to members (if applicable) and others within their respective spheres of influence; and
- Advise on the development of materials to accelerate resource efficient and sustainable buying practices in the grocery sector.

Stage 3: Developing material to accelerate resource efficient procurement practices based on information and insight from Stage 1 and 2

The Working Group agreed that the initial focus should be on the Business Case for sustainable and resource efficient buying, and Best Practice guidance for the grocery sector. To enable effective dissemination to the sector the following deliverables for the Project were agreed:

- **Website Architecture Diagram** A suggested architecture for a website to be used as a resource tool and knowledge site for the grocery sector.
- **Website Content** Appropriate priority content and identification of other content that would need to be developed later.
- **Best Practice Procurement Process Map** that can be used to help organisations in the grocery sector to understand their current position and identify gaps and improvement opportunities.

The above material from Stage 3 is currently being discussed with industry bodies and will be published separately early in 2014.

This report also sets out an initial roadmap for the grocery sector’s route towards embedding resource efficiency and sustainability in buying practices. It is designed to aid collaboration between WRAP, grocery sector businesses (retailers, product manufacturers and producers) and other stakeholders, such as trade associations and NGOs.
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Glossary

AS Action Sustainability
BFF Best Foot Forward
BS8903 The sustainable procurement guide. Procuring sustainably using BS 8903
WRAP The Waste and Resources Action Programme
PQQ Pre-Qualification Questionnaire
ITT Invitation to tender
SEDEX Sedex is a not for profit global membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains
1.0 Introduction
Resource efficiency and sustainability are fundamental to the long term success of the UK grocery sector because increasing population and changing diets are putting pressure on finite resources. Companies are increasingly recognising that they need to examine the resource base across their supply chain in order to identify and manage risks. New business models are required to address the pressure on resources including land and water, crucial in the production of food, coupled with an increasing global population.

Resource efficient and sustainable procurement is the effective management of key resources used in the supply of materials and products within the grocery sector - such as land, water, fuel, energy, waste and packaging. It is also about working with suppliers to ensure products and materials are sustainable – that environmental impacts and waste are minimised and that supply risks are understood and managed.

WRAP works with grocery retailers, product manufacturers and their suppliers to reduce waste, and to use resources more efficiently. While the traditional drivers of price and quality remain important and can deliver resource efficient outcomes, without embedding resource efficiency and sustainability directly into buying across supply chain activities, sustainability strategies will not be effectively implemented. A good example is waste prevention. If a company wanted its supply chain to reduce waste and had targets on waste prevention, these could be communicated and managed through the buying processes. It would become a condition of supply that a waste prevention target was delivered.

WRAP has successfully undertaken previous work on sustainable procurement for other parts of the economy. For example, a series of free e-learning modules for key categories such as textiles, ICT, construction and furniture, all designed to help businesses procure more sustainably, make cost savings, use fewer resources and send less waste to landfill are available on WRAP’s web-site. An initial feasibility study on the grocery sector was also conducted in 2012.

Work was therefore commissioned during 2012 to engage with the food sector and review buying practices in both retailers and manufacturers, and hence to identify and develop guidance that would support the industry to more fully integrate and embed resource efficiency and sustainability into their buying decisions and processes. The contractors were Best Foot Forward and Action Sustainability.

This report provides a factual account of the research process. It sets out the findings from an interview and engagement programme and where that led in terms of developing support for the grocery sector. However, this report does not provide the various guidance documents on resource efficient and sustainable procurement that were developed as part of this project. These guidance documents are subject to further testing and discussions with industry bodies and will be published separately in the early part of 2014.
2.0 Methodology
This Project was commissioned to understand how resource efficiency and sustainability criteria are being used in practice within the Grocery sector supply chain by **mapping and charting current organisational buying processes** in order to **identify key intervention points** and **develop material to accelerate resource efficient and sustainable buying practices**.

BS 8903 is the recently developed standard for sustainable procurement and is being adopted in a growing number of industry sectors. This standard was therefore used as the foundation for the initial stages of the project and as a basis for developing best practice guidance for the grocery sector.

The methodology for the Project was structured in three stages to deliver maximum insight for WRAP and other key stakeholders, as well as to ensure the guidance materials prepared were relevant and useful to retailers and product manufacturers in the grocery sector.

- **Stage 1:** Mapping and charting current organisational buying processes and identifying key intervention points.
- **Stage 2:** Establishing and participating in a Working Group.
- **Stage 3:** Developing material to accelerate resource efficient and sustainable buying practices based on information and insight from Stage 1 and 2.
3.0 Stage 1: Mapping and charting current organisational procurement processes and identifying key intervention points

**Figure 1** Key steps adopted for mapping and charting current organisational procurement processes

3.1 Step 1: Identify target organisations

Target organisations were selected from a comprehensive list of retailers and product manufacturers in the Grocery sector. The list was compiled from a range of sources including the Courtauld Commitment, supporters of the Product Sustainability Forum and other initiatives.

As anticipated, not all the organisations targeted were able to participate in the Project. However, the Project team were able to secure the participation of:

- 5 retailers;
- 12 product manufacturers; and
- 1 freight company.

3.2 Step 2: Engage with procurement teams

In most of the organisations targeted, several functions are involved in buying activities as well as those in the buying function itself. Heads of Buying were targeted, and also other relevant job functions (such as category, brand and sustainability managers) where these contacts had a sufficient strategic overview of the buying process in their organisation. This demonstrates both how complex the issue is and that responsibility rests across several teams within individual companies. As shown in Table 1, some organisations fielded more than one participant.
Having confirmed their willingness to participate in the Project, the Project team carried out an initial telephone conversation with the individuals set out in Table 1. This call outlined the aims of the Project, how the company could become involved, and requested some preparatory work prior to an interview.

### 3.3 Step 3: Review existing procurement practices

This step consisted of desk-based research into the organisation’s buying policies; and an interview (telephone or face-to-face) with the individuals set out in Table 1.

The interviews were designed to research and identify how buying operates within the organisation and how resource efficiency and sustainability considerations are currently built into these buying practices.

A structured approach to the interview was used, deploying an audit tool based on BS 8903 and adapted with additional emphasis on resource efficiency, including waste and the use of recycled materials. This approach supported the analysis of corporate procurement practices against the three key aspects of BS 8903: **Fundamentals, Enablers** and **Procurement Process**.
The audit tool comprised a set of questions on each aspect, together with a scoring matrix evaluating the response to each question against a standard of excellence for resource efficient and sustainable procurement in the grocery sector. Scores were as follows:
- Baseline (score=1, 2);
- Proficient (score=3); and
- Mastery (score=4, 5).

Appendix 1 sets out the full set of questions together with the standard of excellence.

### 3.3.1 Fundamentals

This area examines the organisation’s overall sustainability strategy and whether the organisation understands its drivers relating to resource efficiency. It looks at whether sustainability and resource efficiency policies exist and are translated for the supply chain in terms of a sustainable or resource efficiency buying policy.

**Figure 2 BS8903: Fundamentals**

Excellence means being able to fully answer these questions:
- **Organisational drivers:** Are there clear business drivers for addressing resource efficiency and sustainability with all long term risks and benefits defined, understood and documented? These drivers could be compliance and regulation, customer demand, developing a leadership position or others. Is there evidence of consultation across the business and with external stakeholders?
- **Organisational policy/strategy:** Does the resulting sustainability policy/strategy include all relevant social, economic and environmental challenges, current and foreseen, and take into consideration associated risks and opportunities? Are sustainability requirements and priorities clearly aligned with business objectives and aligned with business KPIs at the highest level? Are objectives SMART and clearly defined over a period appropriate to the long term business (at least 5 years)?
- **Procurement policy/strategy:** Is the sustainable procurement strategy fully documented and readily accessible? Is this clear, concise and does it reflect the organisational policy/strategy and how it should apply to the supply chain (i.e. linkage and alignment can be clearly demonstrated where relevant)? Has sustainability and resource efficiency risk and opportunity assessment been undertaken? Have these been communicated to relevant stakeholders? Are appropriate sustainable procurement objectives in place which are prioritized in accordance with this assessment?

### 3.3.2 Enablers

This element examines whether the right people, capabilities, tools and organisational ways of working exist to enable resource efficient procurement. Each organisation was reviewed against the following five areas:
Excellence means being able to fully answer these questions:

- **Leadership & governance:** successful resource efficient and sustainable procurement initiatives require strong and clear leadership both at senior level and throughout the hierarchy of the organisation. A clear corporate governance process is needed and excellence means being able to answer these questions:
  
  - Is there evidence of active and visible leadership both at a senior level and throughout the organisation?
  - Are clear roles and responsibilities defined for delivery of resource efficiency and sustainable procurement objectives?
  - Is there a forward plan in place that identifies future sustainability priorities and ambitions?
  - Is there an integrated management structure in place to oversee delivery of sustainability objectives?
  - Does the organisation publish sustainability intentions externally and is there independent verification of practices and outcomes?

- **People:** Are roles and responsibilities defined at all levels and captured in all relevant job descriptions, and is it clear who is responsible for delivering sustainable procurement objectives? Are resource efficiency and sustainability considerations fully built into personal targets, appraisals, and recruitment and reward structures? Can the majority of staff demonstrate an understanding and articulate how they can play their part in delivering sustainability in procurement? Is there an on-going competence development programme in place for all relevant staff with regard to sustainable procurement?

- **Risk & opportunity analysis:** to what extent the organisation has undertaken a risk and opportunity analysis for its major spend categories in relation to key resource efficiency and sustainability themes such as: carbon, water, waste, resource efficiency, biodiversity etc.

- **Supplier Engagement:** Is there a documented engagement strategy in place which covers all key levels of the organisational hierarchy? Are suppliers actively encouraged to develop competence in sustainable procurement/sustainable business practices, and is their progress monitored and discussed?

- **Measurement:** Is the effectiveness of your sustainable procurement practices and/or sustainability outcomes measured and monitored? Is there evidence to show actual (real quantifiable) improved outcomes have been achieved for highest priority impacts of most relevant categories? Are sustainable procurement KPIs externally benchmarked on a regular basis to compare performance and assess best practice?

### 3.3.3 Procurement Process

This area uses an established model for best practice procurement, comprising six building blocks, to establish how well the organisation integrates resource efficiency and sustainability aspects within their own procurement process.
Excellence at each stage of the procurement process has been defined:

- **Identify the business need**: Procurement involvement is always sought for high impact categories as soon as the need is identified, a process is in place to ensure procurement and internal business unit requirements are communicated immediately.

- **Define sourcing strategy**: All sustainability impacts and requirements have been identified and documented at the start of the procurement. Supply market research is carried out to gain an understanding of supply market sustainability performance for all relevant impacts. Conclusions have been drawn using evidence from more than one independent source. Key resource efficiency impacts across the lifecycle of purchased materials of products (i.e. throughout all stages of production, transportation, use and disposal) are considered when developing a sourcing strategy.

- **Identify suppliers and tender**: Sustainability and resource efficiency requirements are included as part of the Request for Information (RFI)/Pre-Qualification Questionnaire (PQQ) process. There is a clear link and alignment evident between all the sustainability requirements identified in the RFI/PQQ with the organisational sustainability objectives and are consistent with those identified at the outset of the procurement process. The resulting RFI/PQQ clearly promotes the organisation’s sustainability requirements and encourages improved market performance.

- **Evaluate and award**: Evaluation of bids includes criteria assessing sustainability and resource efficiency. These clearly enable more sustainable proposals that go beyond specification requirements to be rewarded. All key sustainability requirements and associated performance criteria are addressed in the contract documentation or in supporting documents which are referenced in the contract (this may include reference back to the specification where applicable).

- **Manage performance and relationship**: All suppliers are subject to external audit against sustainable procurement guidelines with the top 80% of suppliers by contract value audited at least annually. Regular, structured performance reviews take place and sustainability requirements are comprehensively assessed alongside other business performance criteria.

- **Review and learn**: A formal process is in place at the end of the procurement cycle to review and share learning. Learnings have been fully documented and actively communicated. Successful practice has been incorporated into business processes where possible.

### 3.4 Step 4: Review and analyse findings

Following each interview in *Step 3: Review existing procurement practices*, the scoring matrix was completed giving each organisation’s score from 1 to 5 for each question in the audit tool. Qualitative information learnt during the interviews and specific to each organisation was also recorded including:

- Particular initiatives in terms of resource efficiency carried out by the organisation;
- Key targets in relation to the organisation’s resource efficiency or wider sustainability;
Key processes carried out by the organisation, for example, in relation to supplier auditing or supply chain collaboration.

3.5 Step 5: Identify best practice and benchmarking existing practices
Following the standardised data collection process adopted for Steps 1 to 4, data from the participating organisations were drawn together to allow:
- review and analysis of the findings;
- comparisons to be drawn across the Grocery sector; and
- benchmarks identified.

The scores showed that there were few examples of successfully embedded sustainable and resource efficient buying practices, and that there are a number of gaps and opportunity areas where interventions could be developed for the grocery sector. It should also be noted that this process only identifies the existence of a practice or measure, not its effectiveness.

Each participating company was provided with a confidential summary benchmark report as feedback from the evaluation process. An anonymised example of the benchmark report provided to organisations is set out in Appendix 2.

3.5.1 Fundamentals
Key findings in relation to existing resource efficient and sustainable buying Fundamentals:
- Most organisations have a sustainability policy although most are limited to a few key themes.
- Most organisations do not have a specific sustainable procurement policy.
- Sustainability priorities include resource efficiency but stronger emphasis is on socio-economic issues.
- Adequacy of policies relating to either client requirements or link with brand.
- Lack of SMART objectives in policy.
- Variety of drivers influencing sustainability requirements.
- Some risk assessment processes in place to understand sustainability but mostly informal.

Table 2 Table showing the average score and the “best in class” score for each question in the audit tool relating to the Fundamentals for both retailers and product manufacturers

<table>
<thead>
<tr>
<th>Question</th>
<th>Retailer Average</th>
<th>Retailer Max</th>
<th>Retailer Min</th>
<th>Supplier Average</th>
<th>Supplier Max</th>
<th>Supplier Min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has your organisation identified the main business risks and opportunities related to sustainability and have these sustainable business challenges been adequately defined?</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3.8</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Are your sustainability challenges translated/incorporated into your organisation’s core policy and/or strategy?</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3.7</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>Do you have clear and measurable long term objectives in relation to your corporate sustainability challenges? (NB A score of 5 denotes objectives exist though they may not be the best possible)</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>3.2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Do you have a sustainable procurement policy/strategy in place that is clearly aligned</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>2.8</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>
Has a high level risk and opportunity assessment been undertaken for the supply chain and has this been used to inform the sustainable procurement policy and/or strategic objectives?

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 4.5 | 5 | 4 | 3.1 | 5 | 2

The difference between best and worst practice in relation to resource efficient and sustainable buying Fundamentals is illustrated below.

**Figure 5 Comparison of scores: Fundamentals**

### Retailers

**Product Manufacturers**

#### 3.5.2 Enablers

Key findings in relation to existing resource efficient and sustainable buying Enablers:

- Very few organisations had strong visible leadership within organisations.
- Hardly any organisation had undertaken any sustainable procurement training.
- Sustainable procurement was the role of a few specialists (and not generally in the procurement function).
- Lack of SMART objectives in place.
- Most sustainable procurement requirements determined by informal risk/opportunity analysis but limited by policy scope, effectiveness of risk methodology and focus on “easy themes”.
- Lack of engagement strategies in relation to suppliers for sustainability issues.
- Few individuals can articulate the business case for sustainable procurement and their role in it.
- Most personal objectives were either too general or limited to a few individuals.
**Table 3** Table showing the average score and the “best in class” score for each question in the audit tool relating to the Enablers for both retailers and product manufacturers

<table>
<thead>
<tr>
<th>Question</th>
<th>Retailer Average</th>
<th>Retailer Max</th>
<th>Retailer Min</th>
<th>Supplier Average</th>
<th>Supplier Max</th>
<th>Supplier Min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there evidence of active and visible leadership at a senior level for sustainable procurement?</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3.6</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Are clear roles and responsibilities defined for delivery of sustainable procurement objectives and is it embedded in job descriptions, personal development plans and personal objectives?</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>2.9</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Can all relevant staff articulate the business reasons for implementing sustainable procurement and how they play their part in implementation?</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>2.6</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Has your organisation taken any steps to build competence in sustainable procurement?</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>2.3</td>
<td>3.5</td>
<td>0</td>
</tr>
<tr>
<td>Do you have a supplier engagement strategy in place?</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>3.1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Are you actively encouraging your suppliers to develop competence in sustainable procurement/sustainable business practices?</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>3.1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Have you defined your risks and impacts (opportunities) and have you prioritised them against your supply chain categories?</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>3.1</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Do you measure the effectiveness of your sustainable procurement practices &amp;/or sustainability outcomes?</td>
<td>3.5</td>
<td>4</td>
<td>3</td>
<td>2.8</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>How do you benchmark your sustainable procurement progress &amp; results?</td>
<td>4.5</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>

3.5.3 **Procurement Processes**

Key findings in relation to existing resource efficient and sustainable buying Processes:

- Most organisations operate a category management process.
- The Procurement function is often not included very early in the product development process.
- Technical procurement activities such as PQQ/ITT /RFPs are limited in use as most supply arrangements are long standing in nature.
- Supply contracts are not always used, and forward procurement commitments are rare among retailers.
- There is minimal sustainability coverage in contract terms and conditions.
- The supplier ethical data exchange (SEDEX) is widely used to support supplier ethics and social agenda.
- Lifecycle analysis is limited to carbon and there are few examples of whole life costing.
- The majority of category strategies fail to address sustainability to any significant extent.
Table 4 Table showing the average score and the “best in class” score for each question in the audit tool relating to the Procurement Process for both retailers and product manufacturers

<table>
<thead>
<tr>
<th>Question</th>
<th>Retailer Average</th>
<th>Retailer Max</th>
<th>Retailer Min</th>
<th>Supplier Average</th>
<th>Supplier Max</th>
<th>Supplier Min</th>
</tr>
</thead>
<tbody>
<tr>
<td>At what point is purchasing involvement sought from the internal stakeholder once a business requirement is initially identified?</td>
<td>4</td>
<td>4</td>
<td>3.86</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Are key sustainability impacts and requirements are identified at the outset of the procurement? If yes can you provide some examples?</td>
<td>4</td>
<td>5</td>
<td>3.09</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Do you complete market research to gain an understanding of supply market sustainability performance for all relevant impacts?</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Do you consider the lifecycle of the proposed goods, work or service (i.e. throughout all stages of production, transportation, use and disposal) when developing a sourcing strategy?</td>
<td>4</td>
<td>5</td>
<td>2.82</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Do you include sustainability requirements as part of the RFI/PQQ process?</td>
<td>3.5</td>
<td>4</td>
<td>2.86</td>
<td>3.5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Do you have any examples of how sustainable outcomes have been promoted at the evaluation stage?</td>
<td>3.5</td>
<td>4</td>
<td>2.50</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Are sustainability performance requirements captured in relevant contract documentation?</td>
<td>3</td>
<td>3</td>
<td>2.64</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>What standards do you set/provide for your suppliers, and how do you communicate &amp; enforce these?</td>
<td>3.5</td>
<td>4</td>
<td>3.36</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Do you operate a supplier review process and how is sustainability captured?</td>
<td>3.0</td>
<td>3</td>
<td>3.23</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>What processes are in place to allow feedback and review of key purchases and that learning is captured, shared and acted upon?</td>
<td>3.0</td>
<td>3</td>
<td>2.86</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

The difference between best and worst practice in relation to resource efficient and sustainable buying Processes is illustrated below.
arrangements are in place, which is particularly the case for retailers and many of their core product suppliers.

- There are a wide variety of sustainability priorities within the cross section of organisations interviewed and the only common themes appear to be packaging and the management of raw material supply chains.
- SEDEX is used by most retailers and many manufacturers to assess and manage the socio-economic aspects of their suppliers.
- Energy and associated carbon, water and waste were not extensively covered as being a priority within procurement function among the cross section of organisations interviewed.
- There appears to be a gap in terms of leadership and competency in sustainable procurement in most of the organisations interviewed – any successful sustainability initiatives were driven by dedicated sustainability teams.
- There was little evidence for documented sustainable procurement policies across the majority of the organisations interviewed.
- There are a few problem areas in relation to driving change across the sector: in many organisations there is little appetite for collaboration, and a very diverse set of sustainability priorities depending on whether the business is a retailer, a branded manufacturer, or an own-label supplier.

3.6.1 Identifying key intervention points
The audit process conducted above, based on BS 8903, identifies the existence or otherwise of a key enabler. It does not provide an assessment of how effective that enabler is at meeting resource efficient or sustainable outcomes. So, for example, the process has recorded maximum scores for retailers on the question: ‘Do you have clear and measurable long term objectives in relation to your corporate sustainability challenges?’ (see Table 2). The fact that all interviewees had such objectives is one thing, another is the extent of challenge that those objectives require, which this process has not addressed.

Using the benchmarking results we identified a wide range of potential areas for further investigation (and subsequent discussion with industry). For each of these potential interventions the current availability of support material is assessed.
<table>
<thead>
<tr>
<th>Pathway</th>
<th>Intervention</th>
<th>Existing Material</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Standards</td>
<td><strong>Organisational self-assessment tool</strong> Based on best practice with action planning capability.</td>
<td>AS Benchmarking Tool against BS 8903 could be developed and made grocery specific.</td>
</tr>
<tr>
<td>Fundamentals</td>
<td><strong>Risk assessment tool</strong> Methodology on how to do a risk assessment relating specifically to organisational priorities and key categories.</td>
<td>**PSF Topic Guide: <em>How to identify high sustainability, reputation, supply chain risk and resilience</em>. Could be used as the basis of developing a methodology. **Framework established by AS and used in CIPS training courses exists but further development required.</td>
</tr>
<tr>
<td></td>
<td><strong>Sustainability drivers tool</strong> Guidance for assessing drivers and level of importance of each driver</td>
<td></td>
</tr>
<tr>
<td>Enablers</td>
<td><strong>Industry training material</strong> Develop training material based on WRAP best practice principles so that each individual involved in procurement understands the role they have to play.</td>
<td>Training courses developed under CIRIA Guide to Sustainable Procurement in Construction could be used as the basis for grocery specific training materials.</td>
</tr>
<tr>
<td></td>
<td><strong>Competency assessment tool</strong> Allowing individuals to assess what competencies, objectives and rewards are required for individuals involved in sustainable procurement.</td>
<td>Not aware of any existing material in any industry but can be readily developed.</td>
</tr>
<tr>
<td></td>
<td><strong>Sustainability measures tool</strong> Performance monitoring system that organisations can use to identify which sustainability measures they wish to report on and allows industry to standardise how they report on these measures and promote resource efficient impacts throughout supply chain.</td>
<td>WRAP’s Net Waste Tool for construction sector AS are currently developing a Construction Sustainability Measures Tool</td>
</tr>
<tr>
<td>Processes</td>
<td><strong>Lifecycle/whole life costing guides</strong> Guidance on how to assess the operational, supply and investment costs associated with buying sustainable materials or products.</td>
<td><strong>PSF Topic Guide: <em>Effective commissioning of LCAs/footprint studies</em></strong></td>
</tr>
<tr>
<td></td>
<td><strong>Supply Standards/Codes</strong> Consideration of opportunity to review and harmonise the range of standards and codes.</td>
<td>EU Green Public Procurement Standards The Consumer Goods Forum Sustainability Activation Toolkit WRAP’s Procurement</td>
</tr>
</tbody>
</table>
- **Standard PQQ requirements and tender evaluation criteria**
  Covering standard clauses and assessment methods that could be used when tendering for business from suppliers.

- **Standard contract clauses and terms** (although note that these should not be regarded as a priority as many supply arrangements do not have formal contracts).

- **Enhanced product specifications**

- **Supplier performance/scorecards /KPIs/indexes**
  Many organisations have developed and deployed some supplier scorecards but there is potential for harmonisation.

- **Supplier evaluation and auditing**
  Many schemes in existence and a way to integrate and harmonise could be worthwhile.

- **requirements for reducing waste and using resources efficiently**
  - As for Supply Standards/Codes
  - As for Supply Standards/Codes
  - SEDEX/GSCP/EMAS but the scope of these does not really cover resource efficiency.

For individual companies the benchmark can provide a starting point from which to review their own buying practices. While this is important, WRAP also wishes to support companies extend their resource efficient and sustainable buying ambitions. This requires, in the first place, a strong and better understood Business case which our research showed was widely lacking among buying professionals.

One clear area for which the business case is well established is the introduction of a waste prevention target. Such a target could readily be integrated into the buying process. If a company has targets on waste prevention and wanted its supply chain to reduce waste, these could be communicated and managed through the buying processes. It could become a condition of supply that a waste prevention target was delivered. Buyers could be incentivised on this metric and supplier performance measured. Suppliers in turn could cascade this requirement across their own supply base. Individual supply chains would set their own targets but a good starting point is the Courtauld Commitment target reduction of 3% over 3 years, regardless of business growth. As the benefits of this approach become clear additional targets could be introduced for example on water or carbon driven by an understanding of where the major risks arise.
Clearly the potential list of interventions shown above is wide ranging and will need addressing by organisations other than WRAP. However, WRAP has started to address a number of the interventions identified above through the work of the Product Sustainability Forum (PSF). The PSF has also developed a focus on buying and the opportunity now exists to integrate the different work streams into effective tools that support resource efficient and sustainable buying within the industry.
4.0 Stage 2: Establishing and participating in a Working Group

4.1 Formation of industry Working Group
It was agreed that the best way of consulting more widely with the sector, and to establish the interventions and support needs, was to establish an industry Working Group to:

- Provide strategic, industry-wide advice to WRAP on the overall scope and delivery of the Project;
- Promote the Project to members (if applicable) and others within their respective spheres of influence;
- Advise on the development of materials to accelerate resource efficient and sustainable buying practices in the Grocery sector;
- Ensure these materials represent a consistent approach for developing resource efficiency and sustainability in buying that benefits the Grocery sector as a whole;
- Support the development of a ‘road map’ that sets out how to encourage wider uptake and deeper embedding of resource efficient behaviour; and
- Advise on practices within the grocery sector that are relevant to the Project.

The Working Group consisted of representatives from industry bodies, academic institutions and retailer or product manufacturers in the Grocery sector.

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment Manager</td>
<td>Dairy UK</td>
</tr>
<tr>
<td>Environment Policy Manager</td>
<td>Food and Drink Federation</td>
</tr>
<tr>
<td>Director &amp; Secretary General</td>
<td>Chilled Foods Association</td>
</tr>
<tr>
<td>Environment Executive</td>
<td>British Soft Drinks Association</td>
</tr>
<tr>
<td>Director</td>
<td>British Sandwich Association</td>
</tr>
<tr>
<td>Director General</td>
<td>National Association of British and Irish Millers</td>
</tr>
<tr>
<td>ECR Learning &amp; Change Manager</td>
<td>IGD</td>
</tr>
<tr>
<td>Professor of strategy</td>
<td>University of Bath</td>
</tr>
<tr>
<td>Foods CSR Delivery Manager</td>
<td>Marks &amp; Spencer</td>
</tr>
<tr>
<td>Supply Chain Sustainability Leader</td>
<td>GlaxoSmithKline</td>
</tr>
<tr>
<td>Sustainable Development Manager - Products</td>
<td>Boots</td>
</tr>
<tr>
<td>Energy and Carbon Reduction Manager</td>
<td>Boots</td>
</tr>
<tr>
<td>Global Category Leader - Packaging</td>
<td>Associated British Foods</td>
</tr>
<tr>
<td>Head of Procurement - Ingredients</td>
<td>Associated British Foods</td>
</tr>
<tr>
<td>Procurement Manager - Packaging</td>
<td>Burtons Biscuit Company</td>
</tr>
<tr>
<td>Sustainable Sourcing Manager (Former)</td>
<td>Unilever</td>
</tr>
<tr>
<td>Environment Manager</td>
<td>Co-operative Food*</td>
</tr>
</tbody>
</table>

* Joined the Working Group at a later point.

4.2 Working Group meeting
The Working Group met to discuss the key findings in relation to the current state of resource efficient and sustainable buying in the grocery sector. Through a number of workshop exercises covering the drivers for sustainable buying, the key elements and the potential barriers, the need for interventions and support for the grocery sector was confirmed as needed to accelerate resource efficient and sustainable buying practices across the sector.
The Group recognised that progress has been made but that further work was desirable. For example buyers are incentivised on price and quality but rarely on waste prevention or water reduction for example. There has been widespread use of supplier scorecards to record progress on resource efficiency and sustainability but these also remain largely unlinked to buying decisions.

Having discussed the suggested deliverables for the Project, the Working Group provided the following feedback.

4.2.1 Best Practice Procurement Model
There was strong support for a Best Practice Procurement Model. It was thought this could help understanding and initiate wider and deeper implementation, and could be the basis for a possible shadow standard. It could be designed to illustrate top level thinking while recognising the complexity of the grocery sector and should be written in language familiar to the grocery sector. It could therefore be similar to the guidance that WRAP had already authored with respect to the construction and facilities management sectors and should cover:

- What best practice looks like;
- Practical guidance on what organisations should do and how should they do it;
- Separate guidance for retailers and product manufacturers where appropriate;
- Illustrations of best practice.

4.2.2 Sustainable Procurement Policy
While the need for guidance on the content and format of standard Sustainable Procurement Policy guidance was supported, it was agreed that was a lower priority.

4.2.3 Business Case
There was strong support for developing a model Business Case for resource efficient and sustainable buying. This should cover:

- Why organisations should use buying to support the delivery of sustainability/resource efficiency requirements;
- Which sustainability/resource efficiency aspects need to be embedded;
- Why the grocery sector requires this and the benefits, including resource/cost efficiency and the reduction of supply chain risks;
- Possibly a summary of the disconnect/evidence gap between organisation sustainability policy and actual action;
- Supporting case studies which can be accessed by key stakeholders.

4.3 Agreed deliverables following the Working Group meeting
Taking into account feedback received from the Working Group, it was decided that the deliverables for the Project would therefore include:

- Best Practice Procurement Model defined in a guidance document covering best practice and practical guidance on what organisations should do in terms of policies and strategies, capabilities, and process improvements; and
- Business Case for resource efficient and sustainable buying covering why sustainable and resource efficient buying is needed, buying’s role, and the benefits that can be achieved.
- Best Practice Procurement Process Map setting out the key process steps showing where resource efficiency and sustainability should be incorporated and who should be involved within organisations in the grocery sector.

These documents would seek to illustrate best practice with real examples and Working Group participants were requested to contribute any relevant case studies.
5.0 Stage 3: Developing material to accelerate resource efficient and sustainable buying practices based on information and insight from Stage 1 and 2

5.1 Best Practice Procurement Process Map
Following the request in the Working Group a Best Practice Procurement Process Map was developed. This comprised a linear process map showing at which stages in the buying process sustainability and resource efficiency should be included, and indicating which functions within and outside the organisation should be involved in the process stage. In addition a category management wheel diagram was developed (see Appendix 3) to align with what buying teams would recognise as best buying practice.

5.1.1 Mapping meetings
The Best Practice Procurement Process Map was validated during the course of several detailed interviews with selected key retailers and product manufacturers. These interviews also evaluated their current buying activity against the Best Practice Procurement Process Map, identifying further elements of best practice and potential areas for improvement.

As a result of the successful engagement in Stage 1, participation of a wider array of job functions was achieved at this stage including:
- Procurement team members (category managers, buyers etc.);
- Brand managers;
- Product developers;
- Commercial teams – individuals who monitor and manage the supply chain contracts.

The interviews built on questions used during Stage 1, going beyond the BS framework to obtain a more detailed understanding of the processes each organisation has in place for its buying activities, and how sustainability and resource efficiency requirements are currently embedded. The questions were therefore designed to fill gaps in our understanding of the buying process and to assess the extent of the challenge that companies were setting themselves.

Table 7 Question areas for detailed interviews during Stage 3

<table>
<thead>
<tr>
<th>Question Area</th>
<th>Information required</th>
</tr>
</thead>
<tbody>
<tr>
<td>At what point is purchasing involvement sought from the internal stakeholder</td>
<td>Understand the process for identifying the need - how is procurement split - ingredients, capital or indirect and direct? Do they adopt a category management process? How often do procurement get involved and is sustainability considered as part of the early engagement process?</td>
</tr>
<tr>
<td>once a business requirement is initially identified?</td>
<td></td>
</tr>
<tr>
<td>Are key sustainability impacts and requirements identified at the outset of</td>
<td>See above</td>
</tr>
<tr>
<td>the buying process? If yes can you provide some examples</td>
<td></td>
</tr>
<tr>
<td>Do you complete market research to gain an understanding of the supply market</td>
<td>Understand if any sustainability considerations are included as part of the category review. Who are the stakeholders involved in the review process? Are tools such as whole life costing used?</td>
</tr>
<tr>
<td>sustainability performance for all relevant impacts?</td>
<td></td>
</tr>
<tr>
<td>Do you consider the lifecycle of the proposed goods, work or service (i.e.</td>
<td>Look for any evidence of lifecycle analysis - where has it been conducted? Who was involved? Did it influence the buying activity or</td>
</tr>
<tr>
<td>throughout all stages of production,</td>
<td></td>
</tr>
</tbody>
</table>
transportation, use and disposal) when developing a sourcing strategy?  

<table>
<thead>
<tr>
<th>Question</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you include sustainability requirements as part of any PQQ or equivalent process?</td>
<td>How often is the PQQ process utilised? What elements include sustainability? What tools are used to support the PQQ process? Which stakeholders are involved?</td>
</tr>
<tr>
<td>Do you have any examples of how sustainable outcomes have been promoted at the evaluation stage?</td>
<td>How are suppliers proposals evaluated? Is sustainability included as part of the specification or does it carry weightings? Who is involved in assessing sustainability elements of the proposals?</td>
</tr>
<tr>
<td>Are sustainability performance requirements captured in relevant contract documentation?</td>
<td>Evidence of contract terms – either verbal or visual.</td>
</tr>
<tr>
<td>What standards do you set / provide for your suppliers, and how do you communicate &amp; enforce these?</td>
<td>Evidence of standards in place; what support does procurement get in setting these standards?</td>
</tr>
<tr>
<td>Do you operate a supplier review process and how is sustainability captured?</td>
<td>Is sustainability included in the review process? Who is involved in the review process? What tools are used?</td>
</tr>
</tbody>
</table>

Detailed interviews were conducted with a major food manufacturer, supermarket chain and drinks manufacturer. Whilst two other retailer chains indicated they would like to be included, due to their own organisational commitments a suitable time could not be found to carry out the interviews.

5.1.2 Validation
The Best Practice Procurement Process Map was well received by each of the businesses who recognised that the core process outlined reflected normal buying processes in their organisations. In particular, feedback included:
- It was sufficiently top level as to be applicable to all organisations in the Grocery sector;
- The fact that intervention points were mapped on to standardised core processes meant that the resource efficiency and sustainability interventions could be more easily implemented;
- There were no significant gaps identified in either the core process or the proposed interventions.

5.2 Drafting of Best Practice Procurement Model and Business Case
The two documents were subsequently drafted though it was agreed with WRAP that the best means of communicating the Business Case and Best Practice Procurement Model, and engaging the industry to take action would be through a web-site. A website would be a more advantageous way of communicating the information than paper documents. This website should:
- Package the information acquired during the Project into shorter “bite size” chunks which are easily navigable;
- Include small downloadable files where more detailed information is required;
- Be directed at larger retailers and product manufacturers in the Grocery sector (although this might be extended to SMEs in the future);
- Be directed at buying professionals for the most part although, where possible and relevant, language applicable to different job functions could be used.

It was agreed that BFF/AS would provide website content derived from the Business Case and Best Practice Procurement Model deliverables and WRAP would be responsible for creating and managing the website. Accordingly the deliverables were changed to:
- **Website Architecture Diagram** – A suggested architecture for a website to be used as a resource tool and knowledge site for the grocery sector. The Website Architecture Diagram indicated which areas of content would be provided as part of the Project, and which content areas are out of scope of the Project and, therefore, the responsibility of WRAP.

- **Website Content** - Appropriate priority content for the areas of the website indicated in the Website Architecture Diagram. It was acknowledged that other content will need to be developed and that it would not be possible to populate the entire website before launch.

- **Best Practice Procurement Process Map** - that can be used to show organisations in the grocery sector their current position.

This material is subject to further testing with industry users by WRAP and will be published separately in the early part of 2014.
6.0 Development of an initial roadmap

6.1 What could the roadmap look like?
The initial roadmap is designed to help the grocery sector embed resource efficiency and sustainability in buying practices. It is designed to aid collaboration between WRAP, grocery sector businesses (retailers, product manufacturers and growers) and other stakeholders, such as trade associations or NGOs.

This initial roadmap is designed to:
- Disseminate the guidance materials and website developed through the current Project, and encourage implementation through engaging the grocery sector through working groups and trade associations;
- Set out further interventions and support that will help to increase resource efficiency and sustainability in buying practices in the Grocery sector;
- Detail the programme for implementing the interventions and support (including what actions are needed, who should participate and how progress towards goals will be tracked and reported).

The roadmap must be flexible to changes within the grocery sector and, most importantly, build on what the sector has already achieved.

6.2 Initial stages
WRAP is discussing the work and its findings with the BRC and FDF as the leading bodies representing the retailers and manufacturers. The FDF, for example, has plans to build on its own work on sustainable sourcing having already produced a five-step guide for managing supply chain risk. The aim of these discussions is to ensure there is no duplication of effort and that the resources WRAP has developed can be most effectively deployed for the industry.

WRAP will take forward this work in the following ways.
- Support for signatories to the Courtauld Commitment Phase 3 who wish to review and develop their sustainable buying policies through waste prevention activities.
- Support for specific food sectors through the PSF to address one or more of the themes arising from this research and across a broader range of sustainability measures.
- Publication of this report together with case studies that illustrate how leading companies are developing their approaches to sustainable buying.
- Publication of the Business Case and Best Practice Procurement tools on WRAP’s website early in 2014.
## Appendix 1 Best Practice Resource Efficient and Sustainable Procurement

<table>
<thead>
<tr>
<th>Ref</th>
<th>Description</th>
<th>What does excellence look like?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fundamentals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Has your organisation identified the main business risks and opportunities related to sustainability and have these sustainable business challenges been adequately defined?</td>
<td>Clear business reasons for doing sustainability with all long term risks and benefits defined, understood and documented. Evidence of consultation across the business and with external stakeholders can be provided. The resulting sustainability policy/strategy includes all relevant social, economic and environmental challenges, now and in the future and has taken into consideration associated risk and opportunities.</td>
</tr>
<tr>
<td>2</td>
<td>Are your sustainability challenges translated/incorporated into your organisation’s core policy and/or strategy?</td>
<td>Sustainability requirements and priorities are clearly aligned with the organisation’s primary purpose and are incorporated in the organisation’s core strategy i.e. sustainability forms part of the organisation’s KPIs at the highest level.</td>
</tr>
<tr>
<td>3</td>
<td>Do you have clear and measurable long term objectives in relation to your corporate sustainability challenges?</td>
<td>Measurable sustainability objectives have been agreed that comprehensively address all challenges perceived. Objectives are SMART and are clearly defined over a period appropriate to the business (at least 5 years).</td>
</tr>
<tr>
<td>4</td>
<td>Do you have a sustainable procurement policy/strategy in place that is clearly aligned with the organisational policy and strategy?</td>
<td>Sustainable procurement strategy is fully documented and readily accessible. This is clear, concise and reflects the organisational values, scope, objectives and business ethos in relation to sustainability and how it should apply to the supply chain (i.e. linkage and alignment can be clearly demonstrated where relevant). This can be a stand-alone document or part of an overall strategy.</td>
</tr>
<tr>
<td>5</td>
<td>Has a high level risk and opportunity assessment been undertaken for the supply chain and has this been used to inform the sustainable procurement policy and/or strategic objectives?</td>
<td>Risk and opportunity assessment has been undertaken which captures all three pillars of sustainability. Assessment is fully appropriate to the nature and scale of the sustainability impacts associated with the organisation’s activities and results have been communicated to relevant stakeholders. Appropriate sustainable procurement objectives are in place which are prioritized in accordance with this assessment.</td>
</tr>
<tr>
<td><strong>Enablers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Is there evidence of active and visible leadership at a senior level for sustainable procurement?</td>
<td>Evidence of active engagement at the most senior level within the purchasing organisation, suppliers and external stakeholders. Evidence that senior leaders are positively challenging/supporting the team and suppliers to provide better outcomes whilst championing the agenda with other stakeholders.</td>
</tr>
<tr>
<td>No.</td>
<td>Question</td>
<td>Answer</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Are clear roles and responsibilities defined for delivery of sustainable procurement objectives and is it embedded in job descriptions, personal development plans and personal objectives?</td>
<td>Roles and responsibilities are defined at all levels and captured in all relevant job descriptions. It is clear who is responsible for delivering sustainable procurement objectives. Sustainable procurement skills and requirements are fully embedded in HR related processes such as job descriptions, personal development plans and personal objectives. These are both relevant and proportionate to the specific roles.</td>
</tr>
<tr>
<td>8</td>
<td>Can all relevant staff articulate the business reasons for implementing sustainable procurement and how they play their part in implementation?</td>
<td>Majority of staff can demonstrate an understanding and articulate how they can play their part in delivering sustainability in procurement.</td>
</tr>
<tr>
<td>9</td>
<td>Has your organisation taken any steps to build competence in sustainable procurement?</td>
<td>An on-going competence development programme is in place for all relevant staff with regard to sustainable procurement.</td>
</tr>
<tr>
<td>10</td>
<td>Do you have a supplier engagement strategy in place?</td>
<td>Documented engagement strategy in place which covers all key levels of the organisational hierarchy. Two way discussions encouraged and reviews are regular and fed back to key organisational stakeholders.</td>
</tr>
<tr>
<td>11</td>
<td>Are you actively encouraging your suppliers to develop competence in sustainable procurement/sustainable business practices?</td>
<td>Key suppliers are developing sustainable procurement competence in Tier 1 and below in response to the organisation’s efforts to promote sustainability within the supply chain. Track records in place showing improving performance against key sustainability impacts.</td>
</tr>
<tr>
<td>12</td>
<td>Have you defined your risks and impacts (opportunities) and have you prioritised them against your supply chain categories?</td>
<td>Comprehensive and accurate prioritization exercise completed and updated within last two years.</td>
</tr>
<tr>
<td>13</td>
<td>Do you measure the effectiveness of your sustainable procurement practices &amp;/or sustainability outcomes?</td>
<td>Quantifiable measures are in place for all specific objectives identified. The organisation has evidence in place to show actual (real quantifiable) improved outcomes have been achieved for highest priority impacts of most relevant categories.</td>
</tr>
<tr>
<td>14</td>
<td>How do you benchmark your sustainable procurement progress &amp; results?</td>
<td>All sustainability KPIs or management performance indicators are externally benchmarked on a regular basis to compare performance and assess best practice. The organisation could provide evidence of improvement as a result of benchmarking.</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>At what point is purchasing involvement sought from the internal stakeholder once a business requirement is initially identified?</td>
<td>Procurement involvement is always sought for high impact categories as soon as the need is identified, a process is in place to ensure procurement and internal business unit requirements are communicated immediately. Procurement can demonstrate its help in shaping the business requirements and initial specification.</td>
<td></td>
</tr>
<tr>
<td>Are key sustainability impacts and requirements are identified at the outset of the procurement? If yes can you provide some examples?</td>
<td>All sustainability impacts and requirements have been identified and documented at the start of the procurement.</td>
<td></td>
</tr>
<tr>
<td>Do you complete market research to gain an understanding of supply market sustainability performance for all relevant impacts?</td>
<td>Research identifies current sustainable market performance for all relevant impacts. Conclusions have been drawn using evidence from more than one independent source.</td>
<td></td>
</tr>
<tr>
<td>Do you consider the lifecycle of the proposed goods, work or service (i.e. throughout all stages of production, transportation, use and disposal) when developing a sourcing strategy?</td>
<td>All key sustainability impacts have been considered throughout the lifecycle of the product/service and not only ‘in use’ (Scope and reach of impacts are clearly identified with rational provided to justify the approach taken).</td>
<td></td>
</tr>
<tr>
<td>Do you include sustainability requirements as part of the RFI/PQQ process?</td>
<td>Clear link and alignment evident between all the sustainability requirements identified in the RFI/PQQ with the organisational sustainability objectives and are consistent with those identified at the outset of the procurement process. The resulting RFI/PQQ clearly promotes the organisation’s sustainability requirements and encourages improved market performance.</td>
<td></td>
</tr>
<tr>
<td>Do you have any examples of how sustainable outcomes have been promoted at the evaluation stage?</td>
<td>Evaluation of bids clearly enables more sustainable proposals that go beyond specification requirements to be rewarded e.g. products that exceed minimum energy efficiency requirements would be rewarded by improved WLC figures.</td>
<td></td>
</tr>
<tr>
<td>Are sustainability performance requirements captured in relevant contract documentation?</td>
<td>All key sustainability requirements and associated performance criteria are addressed in the contract documentation or in supporting documents which are referenced in the contract (this may include reference back to the specification where applicable).</td>
<td></td>
</tr>
<tr>
<td>What standards do you set/provide for your suppliers, and how do you communicate &amp; enforce these?</td>
<td>All suppliers are subject to external audit against sustainable procurement guidelines; top 80% of suppliers by contract value audited at least annually.</td>
<td></td>
</tr>
<tr>
<td>Do you operate a supplier review process</td>
<td>Regular, structured performance reviews take place, sustainability requirements are comprehensively assessed.</td>
<td></td>
</tr>
<tr>
<td>and how is sustainability captured?</td>
<td>alongside other business performance criteria.</td>
<td></td>
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<td>-----------------------------------</td>
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<tr>
<td>24 What processes are in place to allow feedback and review of key purchases and that learning is captured, shared and acted upon?</td>
<td>Formal process is in place at the end of the procurement cycle to review and share learning. Learnings have been fully documented and actively communicated. Successful practice has been incorporated into business processes where possible.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2 Anonymised example benchmark report supplied to each participating organisation

Organisation: **
Interview Date: ** 2012

Interviewee: **

We would like to thank you for your recent participation in the WRAP project evaluating how sustainability is embedded in procurement in the Grocery sector. As you will recall, we followed a structured interview process against the British standard: BS8903 – Principles and Framework for Procuring Sustainably. Based on our discussions with you we have scored your organisation against the standard. The following graphs highlight these scores against the various attributes of the standard and also show how your organisation compares to best practice within the sector.

Should you wish to understand the findings from this interview further, or to explore ways in which your organisation’s sustainable procurement activities can be improved, please feel free to get in touch and we will be happy to discuss this with you.

**Fundamentals**
What steps your organisation has taken in establishing the fundamental elements of sustainable procurement.

**Enablers**
Enablers provided by your organisation to support individuals within the organisation.

**Procurement Process**
Procurement processes and key steps undertaken in order to ensure sustainable outcomes are embedded in your organisation’s procurement activities.

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Resource efficient and sustainable buying in grocery supply chains 30
Appendix 3 Best Practice Procurement Process Map

1. Define scope
   • Engage key stakeholders and agree resource efficiency requirements.
   • Define scope and identify key products.
   • Set budget.

2. Analyse category
   • Understand the business needs and wants.
   • Map the supply chain and evaluate the market place.
   • Evaluate market maturity and ability to deliver resource efficiency.

3. Develop strategy
   • Understand the financial implications.
   • Agree the resource efficiency benefits.
   • Benchmark against business needs and resource efficiency objectives.
   • Agree roles and responsibilities.
   • Obtain business and stakeholder sign off.

4. Implement strategy
   • Issue market enquiries.
   • Establish resource efficiency reporting requirements.
   • Manage the contract transition and management process.

5. Manage & measure
   • Manage the supplier relationship.
   • Manage internal stakeholder relationships.
   • Analyze performance of contractual resource efficiency.

6. Review & improve
   • Use management data to test the validity and suitability of resource efficiency requirements.
   • Engage internally and externally.
   • Evaluate whether the strategy still applies to current business needs.