



DEFRA Innovation Fund

Development and Testing of a Sustainable Procurement Evaluation Tool

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Final Draft

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1.0 Introduction

This project was commissioned by the London Sustainable Development Commission (LSDC) in conjunction with the DEFRA Sustainable Development Partnership and Innovation Fund to develop and test the first application of an online sustainable procurement evaluation methodology linked to the UK Sustainable Procurement Taskforce's 'Flexible Framework'.
(http://www.actionsustainability.com/benchmarking/flexible_framework.asp)

The methodology has been tested on the procurement policies and processes of a large private sector construction firm in London, Willmott Dixon.

This report summarises the outcomes of the testing process, and provides context for sustainable procurement policy in London, the UK and within Europe.

Project parameters

This project is linked to work commissioned by DEFRA to promote sustainable procurement nationally and has been funded as follows:

- DEFRA Innovation Fund contribution to develop the tool and test it with Willmott Dixon
- Fee commitment from Willmott Dixon for Action Sustainability to support the development of its sustainable procurement strategy
- Business Resource Efficiency and Waste (BREW) programme support for Action Sustainability to develop its website, some of which has been used to web-enable the tool that was developed using the DEFRA Innovation Fund.

Action Sustainability is a not for profit company specialising in sustainable procurement.

The time allocated to this project was 8 days, focussed on developing and testing the tool.

2.0 Background

Sustainable procurement is of growing importance London, the UK and within Europe in the context of significant drivers such as the need to significantly reduce carbon emissions and manage the use of finite resources

There are a variety of drivers to procure in a more responsible manner:

- At the International level, the UN Marrakech Task Force is developing a global agenda, particularly through aid and World Bank funded projects.
- An EU Task Force is looking into the sustainable procurement practice of EU member states and is about to commence a 1 Million Euro study into the “Green Public Procurement” (GPP) practice of EU member states.
- In the UK, the UK Sustainable Development Strategy “Securing the Future”¹ in 2005 set out a wide-ranging agenda for sustainable development. This strategy recommended the Government encourage a greater leverage of buying power to deliver sustainable outcomes in both public and private sectors. The strategy set the objective for the UK to “be among the EU leaders in this field by 2009”.

2.1 Sustainable Procurement Task Force

A business led Sustainable Procurement Task Force, chaired by Sir Neville Simms, was set up in response to ‘Securing the Future’ to make recommendations to government on how the £150Bn public expenditure through procurement could be invested more responsibly.

The Taskforce published a report “Procuring the Future”² setting out an agenda and working methodology for the UK to become among the leaders in sustainable procurement by 2009.

It proposed the use of a Flexible Framework to measure the level to which the procurement practice of any organisation matches up against best practice as exhibited by the businesses and public sector bodies who participated in the Task Force deliberations.

The report made 6 key recommendations:

- **Lead by example**
 - A clear commitment should be made at the highest levels in Government down to all public bodies to make sustainable procurement part of the everyday work of the public sector, backed up by performance management systems with progress monitored by external scrutiny bodies .
- **Set clear priorities**
 - The Government should set clear priorities and reduce the volume of guidance and policies by creating a single integrated sustainable procurement framework and recognise there is no one size fits all solution.
- **Raise the bar**
 - Existing minimum standards for government should be enforced and be extended to the rest of the public sector.

¹ <http://www.sustainable-development.gov.uk/publications/uk-strategy/index.htm>

² <http://www.sustainable-development.gov.uk/publications/procurement-action-plan/index.htm>

Working with suppliers to identify future needs and set key requirements was recognised as essential. The process is intended to engage suppliers in constructive development, not simply to choose a more sustainable supplier or product.

- **Build capacity**
 - Procurement skills should be developed throughout the public sector to ensure capabilities are in place to deliver sustainable procurement effectively. It was recognised that there is very limited capacity to deliver this agenda and to assist the Task Force developed the new Flexible Framework to allow organisations to benchmark their own capability. It was recommended that Public Sector purchasers achieve Level 1 on the Flexible Framework by 2007 and Level 3 by 2009.
- **Remove barriers**
 - Government should remove barriers such as simplifying Treasury guidance on 'whole of life' costing, uncertainty over recording monetary benefits and the split between management of operation and capital budgets. The main barrier to sustainable procurement was seen as "silo budgeting" across government departments.
- **Capture Opportunities**

The public sector should grasp opportunities for innovation and social benefits, which are often missed. Better engagement with suppliers would allow this to take place. New technology is available to deliver more sustainable outcomes but is rarely used. Forward commitments were recommended to encourage innovation.

The Task Force model for best practice³ - The Flexible Framework - addressed 5 key workstreams: People, Policy, Process, Engaging Suppliers and Measuring Results and specified 5 levels of attainment: Foundation, Embed, Practice, Enhance and Lead.

2.1.1 Central Government Response

In May 2007, the UK Government Sustainable Procurement Action Plan was published, incorporating Government's response to the report of Sustainable Procurement Taskforce. The Action Plan sets out how the UK Government intends to achieve the goal for the UK to be among the EU leaders in sustainable procurement by 2009 in the following ways:

³ <http://www.sustainable-development.gov.uk/publications/procurement-action-plan/documents/chapter-3.pdf>

- A new set of Public Service Agreements will be agreed through the Comprehensive Spending Review.
- Setting priorities through issuing a sustainable procurement policy framework, to be developed through 2007.
- Strengthening sustainable procurement leadership and putting appropriate performance objectives in place in each Government Department, delivery of which will be overseen by a Ministerial Committee.
- Budgeting and accounting practice will be targeted and new guidance from the HM Treasury will be issued.
- Government will engage the market and ensure innovation is captured.
- The UK Sustainable Development Commission's watchdog role will be expanded to report on Departmental progress towards sustainable procurement.

2.2 Activities in London

In 2006, the LSDC commissioned a review of gaps and opportunities, comparing London Sustainable Development strategies to the UK Sustainable Development Strategy, 'Securing the Future'. The review recommended that more work be done to advance the Sustainable Consumption and Production agenda in London

London has been a leader in this field with the development of the Mayor's Green Procurement Code in 2003. The Code was mainly focused on procurement of recycled materials and has been a great success, attracting 530 signatories who have collectively delivered:

- over £370 million spend on recycled products
- over 175,000 tonnes of CO₂ reductions
- over 900,000 tonnes of waste diverted from landfill
- over 700 jobs created or maintained.

This model has been replicated in many regional areas within and outside the UK. London has continued to make headway with the development of a revised Mayor's Code in 2007 together with a 3-year contract from the London Development Agency to a consortium led by London Remade (and including Action Sustainability) to evolve the code from a recycling initiative to a

more generalised approach to environmental procurement. Whilst the Code still falls short of the best practice recommended by the Sustainable Procurement Task Force in that it does not focus on social/economic issues, it remains a significant development.

Sustainable procurement is also being supported in London through the London Regional Centre of Excellence (RCE), who have a full time Sustainable Procurement Officer to provide support to the London Boroughs,. This work is funded by communities and Local Government and includes provision of training. LSDC is commissioning a further piece of work to investigate Sustainable Consumption and Production in London (of which procurement is a part) and the GLA is also commissioning a project to bring together an overall strategy to improve sustainable procurement in London's Boroughs.

2.3 Development of the Assurance Tool

Although the Flexible Framework has been acknowledged internationally as a compelling vision of best practice, to date there has been nothing available to enable organisations to benchmark their practice or to develop their strategies in a way that reflects the recommendations but goes with the grain of their culture, values and strategy.

Action Sustainability perceived a need for a methodology to enable organisations to apply the Flexible Framework to their procurement practices following analysis of current industry practice which highlighted that most organisations were well below the standard proposed by the Sustainable Procurement Taskforce.

The LSDC agreed to support this project on the basis that a methodology for assessment incorporated into an on-line tool could aid the dissemination, mainstreaming and benchmarking of sustainable procurement policy and practice in London.

Action Sustainability developed the methodology and online tool known as the 'Assurance Tool' to enable organisations to evaluate their practice in depth, benchmark across sectors and plan their sustainable procurement strategy. It builds on the 'snapshot' tool which was used by Action Sustainability to provide

an instant assessment for industry of where they were positioned in relation to the flexible framework⁴.

In practice, the tool works by enabling organisations to enter data about their performance against each of the 5 workstreams in the Flexible Framework, namely, *people, policy, process, engaging suppliers* and *measuring results*. The tool matches organisations' data against the levels of performance identified in the Flexible Framework from Level 1 (minimum) through to Level 5.

The tool has been designed so that it facilitates an understanding of how procurement practices and policies are being implemented throughout an organisation and can be used to:

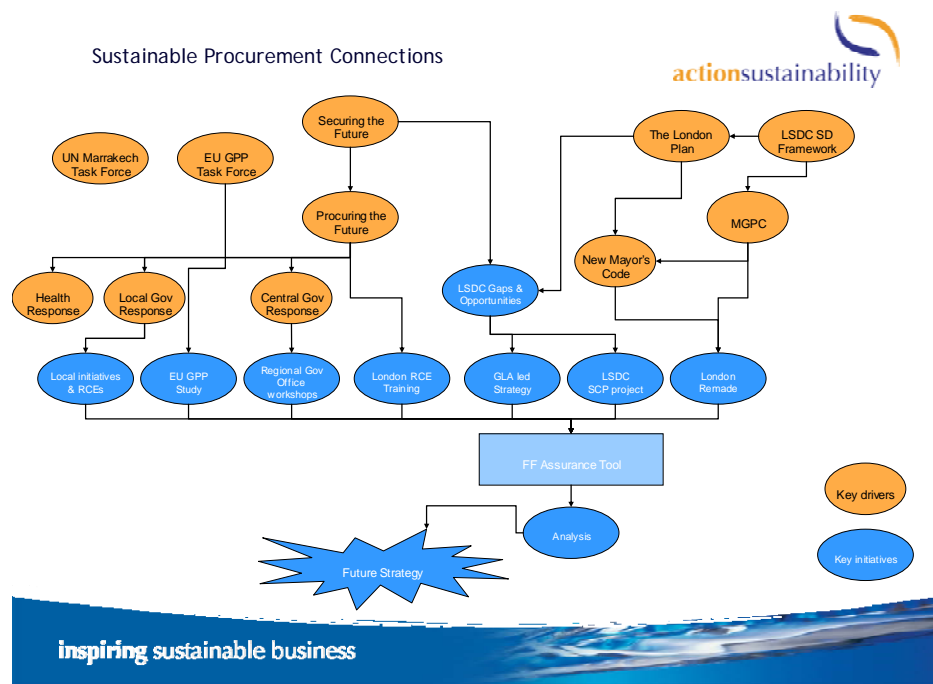
- facilitate development workshops,
- carry out desktop reviews of sustainable procurement practice and
- to re-assess to monitor progress.

It can be used by public or private sector purchasers, generally with a procurement spend in excess of £10million. It is an "expert" tool to be used by somebody with experience and/or training in sustainable procurement.

The Assurance Tool is now available on the web at <http://www.actionsustainability.com/evaluation/assurance/default.asp> and has been used by 2 companies to date. The site has open access, anybody can use it.

The relationship of the assurance tool to broader policy drivers is illustrated in the diagram below:

⁴ The initial Snapshot tool has been used by 200 organisations, 69 of which are from London. Over 90% of organisations which have used this snapshot tool place themselves at Level 1 or below. This indicates that there is a significant challenge to meet the objective set by the taskforce to attain Level 3 status for most organisations by 2009.



3.0 Project Objectives and Methodology

This project, to develop and trial the assurance tool, enabled Action Sustainability to conduct a thorough analysis of the procurement practice of one private sector organisation Willmott Dixon, a £300 million construction company and a major supplier to the public sector in London and elsewhere.

Willmott Dixon, is investing more than £100,000 over the next 2 years in developing its sustainable procurement practice and saw the need for a more in-depth understanding of its procurement practices as an essential first step in this programme. The company operates in London and is a key supplier to the public sector.

The work with Willmott Dixon has had the following outputs:

- this report to the LSDC on the outcomes of the process used;
- recommendations against the defined Best Practice from the Task Force; and
- a score against the Flexible Framework.

The work was carried out in January and February 2007, The learning from this work was shared in a workshop arranged by Action Sustainability in London in conjunction with London Sustainability Exchange and London Remade. in October 2007.

The work was originally planned to focus on a London based project or portfolio of projects but after an initial evaluation it was discovered that Willmott Dixon required more development at a corporate level before embarking on a project specific evaluation. Furthermore, as most projects tend to be staffed with contractors personnel it was felt that the changes resulting from this exercise would be more deeply embedded if the evaluation was carried out at corporate level. The work comprised:

- Initial meeting with Head of Procurement and other senior managers to establish current policy,
- Development of a benchmarking tool using the best practice recommended by the Sustainable Procurement Task Force.
- Review of policy documentation and operating procedures against the Flexible Framework using the Benchmarking Tool
- Interview key personnel (procurement, internal clients and suppliers) to verify the practice and outcomes,
- Production of a report detailing action taken, findings and recommendations,
- Development of an action plan to further develop the sustainable procurement agenda with this client,
- The first entry on the benchmarking database with further feedback when other organisations have participated in the programme,
- Promotion of the work as a case study in the communication events planned by Action Sustainability and funded by the BREW programme,
- Invitation to a learning event in 2007 where participants in the benchmarking initiative will be invited to share their experience.

4.0 The Client

The client was selected on the basis of their involvement with the Sustainable Procurement Task Force and their willingness to engage around this agenda. Willmott Dixon is an independent construction contractor with a turnover of £300M. They are a private company with the most significant share holdings remaining with the Willmott and Dixon families. The company operates through a network of regional offices in England and Wales, they do not operate in Scotland or outside the UK. The company operates a matrix organisation with Divisional Managing Directors holding additional strategic responsibilities for issues such as Sustainability and Procurement and for sector focus on health, education, leisure and transport sectors. The client base is 70% public sector with 45% of turnover in the education sector. Willmott Dixon build schools, hospitals, community centres, prisons and other public buildings. They have a good reputation for corporate responsibility and were one of the consortium building the exemplary sustainable school, Kingsmead, in Cheshire⁵.

⁵ http://www.actionsustainability.com/resources/view_casestudy.asp?CaseStudyID=1

5.0 Analysis

The tool was developed using the work started by the Sustainable Procurement Taskforce team and the personal experience of Action Sustainability Directors. It was tested in a variety of different ways:

- Initial analysis using the basic Action Sustainability tool by members of the Willmott Dixon Strategic Procurement Team, Procurement Director and Sustainability Director;
- Detailed analysis of Willmott Dixon practice based on interviews with Divisional Managing Directors, HR Director and project/operational staff;
- Presentation of findings to Willmott Dixon CEO and key directors; and
- Use of the tool to develop an action plan going forward.

At each stage, feedback was gathered about the use of the tool and it's effectiveness. The learning from this exercise is detailed in 8 below.

6.0 Conclusions

The following conclusions were drawn from use of the tool:

- The tool is easy to use by somebody with experience and training in sustainable procurement and logical, it asks simple questions and looks for objective evidence to support the answers;
- It follows the recommendations of the Flexible Framework well in a way that practitioners can understand;
- The scoring system provides an instant steer on areas of concern and strengths to build on;
- The questions can be repetitive and require further refinement;
- The scores for answers are not weighted, with relatively trivial questions having the same weight as more important ones;
- The tool would benefit from "standard" recommendations against specific scores to enable some basic advice to be provided through the website in the same way as the basic tool works;
- The tool enables organisations to set out a development programme to improve performance but it requires an amount of expert input; and
- The tool was applied to a single client in the construction sector and will require more testing in other sectors. However, it should be noted that it has been used subsequently with a global components supplier and worked equally well.

7.0 Results

The project has achieved the following results:

- Learning to enable further development of the tool under DEFRA BREW funding and make the tool widely available through the Action Sustainability website;
- Development of a sustainable procurement action plan for a key supplier to the public sector with significant projects in London,
- Support from Willmott Dixon Chief Executive Officer and Board to developing a sustainable procurement programme for 2007,
- Capability for the tool to support further strategic analysis of the status of sustainable procurement in London to support the following projects:
 - London Regional Centre of Excellence training programme;
 - LSDC Sustainable Consumption and Production project;
 - GLA Sustainable Procurement Strategy; and
 - Implementation of the new Mayor's Green Procurement Code.

The overarching benefit of this project and the resulting workshop has been to signpost the actions to be taken for London based suppliers to use their procurement power to support wider social, economic and environmental objectives in ways that deliver real long term benefits. It also enables London to set an example to other purchasers who are expected to procure more sustainably.

9.0 Learning and Recommendations

The lessons from this project enable us to understand the status of sustainable procurement in London and across the UK.

- Low starting point – Willmott Dixon is a company with a good reputation that has delivered exemplary sustainable projects. However, the analysis shows that they have a lot to do to develop best practice in a way that sustainable procurement becomes part of the “day job” and core policies of the company. As a result of this Willmott Dixon have embarked on a company-wide sustainability strategy taking into account all aspects of sustainability and all areas of the business, the result of this will be announced in a staff communication in December 2007, after which the agreed targets, strategies and recommendations will be delivered through the supply chain. As Willmott Dixon execute over 90% of their business through suppliers, the early application of this analysis to enable their procurement function to deliver will be an essential element of their success
- Expertise required – This tool is not intended for use by non-experts, sustainable procurement is a complex subject and there is no “one size fits all” solution. Given that capacity and knowledge in this area is limited there is a need to develop more expertise through training and development. This would be the case for any SP tool not just this one,

- Support – London is well placed to support this agenda through the Mayor’s Green Procurement Code. Signatories to the Code should be encouraged and supported to develop their practices and to embed good practice rather than driving initiative led programmes. In order to drive the type of holistic sustainability strategy initiated by Willmott Dixon, it will be necessary to have a holistic sustainable procurement programme. Willmott Dixon are relatively typical of their sector in that the focus is continually on delivery and competition, their business is dynamic and demanding, margins are low and overheads need to be kept to a minimum. There is little scope for in-house resources to provide long term advice on sustainability issues and how to apply them in a supply chain. Corporate membership of organisations like Forum for the Future help this to some extent but there is a potential role for LSDC to add a London focus to this important area,
- LSDC Role – Independent advice and guidance would be helpful and there is a potential role for the LSDC to assist with strategic advice. It was clear from working with Willmott Dixon that there is very little knowledge of long term sustainability issues within key businesses and the “Horizon Scanning” expertise provided by LSDC could be an invaluable help to the Mayor’s Code

Attachments

- 01 – Evaluation Report
- 02 – Sustainable Procurement Policy
- 03 – Project Execution Plan

Attachment 01



Willmott Dixon

Sustainable Procurement Evaluation

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Draft 1

4th March 2007

1.0 Purpose

To evaluate Willmott Dixon Ltd. against the Flexible Framework developed as part of the Sustainable Procurement Task Force recommendations.

<http://www.sustainable-development.gov.uk/publications/procurement-action-plan/index.htm>

To develop and test an evaluation tool for use in the public domain free of charge.

To recommend actions necessary for Willmott Dixon to achieve Level 2 status.

To ensure Willmott Dixon match fund the development by investing in their own sustainable procurement policy.

2.0 Methodology

The information was gathered from the following sources:

- Desktop review of Willmott Dixon key strategies, performance measures and supply chain induction programme,
- Discussions with Chief Operating Officer, Director of Sustainability, Director of Procurement and other senior personnel,
- Engagement with the Strategic Supply Chain team through their attendance at the Action Sustainability Training Course,
- Engagement with the Strategic Supply Chain team through attendance at two, full day meetings during November and December 2006.

3.0 Summary of Findings

Willmott Dixon are committed to sustainability as a principle to ensure their business continues to thrive in the future. There is a strong recognition that they must develop this agenda if they are to achieve their business goals of growth with high quality customers. The Chief Operating Officer is personally sponsoring the agenda and WD have a Director of Sustainability to support. Supply Chain Management is becoming more strategic with key management processes in place or in development. The application of sustainability in procurement is relatively new and there is a lot of work to be done to address this. However, given the high level commitment and quality of procurement staff and processes, there is no reason why Willmott Dixon cannot become leaders in this field.

4.0 Summary of Recommendations

Willmott Dixon are well placed to develop a sustainable procurement strategy that reflects best practice.

- **People:** Training should be extended to staff outside the Strategic Supply Chain team and sustainable procurement objectives should form part of key staff communications.
- **Policy:** The policy recently developed should be communicated to staff and suppliers. Sustainability impacts should be clearly identified, defined and prioritised
- **Process:** Willmott Dixon should build on the good work being done to establish consistent supply chain processes to incorporate sustainability objectives.
- **Suppliers:** Key suppliers should be identified and engaged in this programme, a communication and engagement programme should be implemented across the supply base.
- **Results:** Measures and minimum standards should be developed to reflect the impacts and priorities identified under Policy.

5.0 Detailed Findings & Recommendations

5.1 People

Willmott Dixon are well placed to develop an effective strategy for their people. The programme is personally sponsored by the Chief Operating Officer, led by one of the divisional Managing Directors and supported by the Sustainability Director. The Procurement Director and the 4 members of the “Strategic Supply Chain Team” have attended the Action Sustainability CPD training course.

The next stage of activity must be centred around communication and training down the line and with key people from other professions, followed by more advanced training and professional development for members of the Strategic Teams.

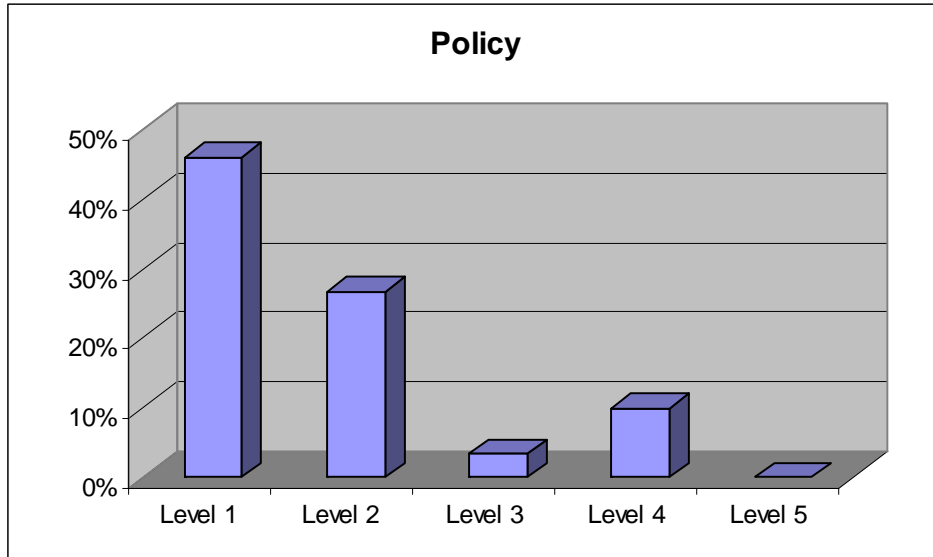
| Recommendations - To achieve Level 2 (People) | |
|--|--|
| 1 | Extend training to key project staff |
| 2 | Communicate policy to staff and include in employee induction programme |
| 3 | Develop advanced training for key staff, consider cross-training for professional development (e.g. IEMA for procurement champion) |
| 4 | Develop expertise within Re-thinking to provide long term support |

5.2 Policy

Willmott Dixon has developed a sustainable procurement policy based on the Task Force recommendations. This was developed in November/December 2006 with support from Action Sustainability but has yet to be rolled out to staff or suppliers. An effective programme of stakeholder engagement has commenced with a series of “Roadshows” with key clients where presentations and discussions took place on sustainable procurement.

The recommendations in this area centre on identification and definition of key sustainability impacts and prioritising actions through the supply chain. This is an essential next step without which the other recommendations will not be implemented effectively. It will also be necessary to open up two way dialogue

with employees, stakeholders and suppliers to further refine the strategy as it develops.



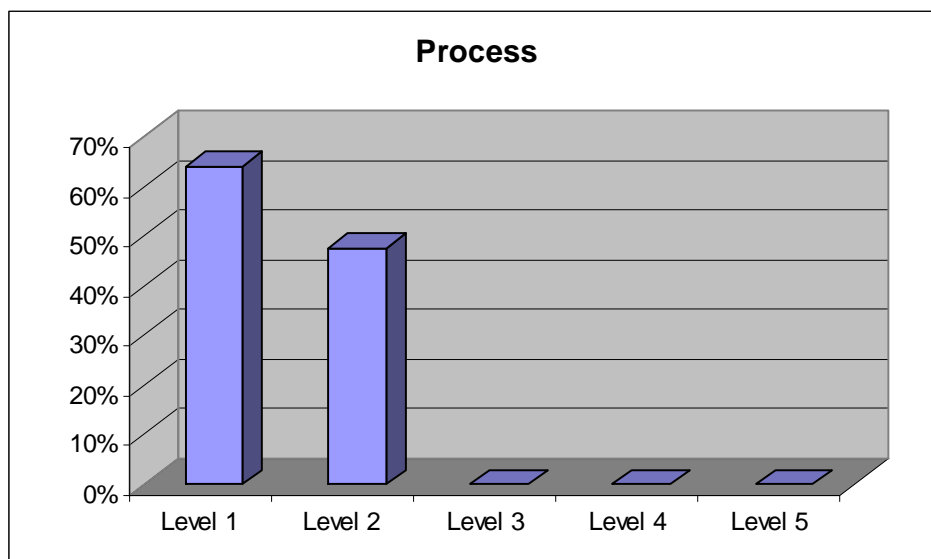
Recommendations - To achieve Level 2 (Policy)

- 1 Workshop to identify sustainability impacts and definitions
- 2 Communicate policy to staff and suppliers
- 3 Review current procurement and supplier management processes and define how sustainability will be incorporated
- 4 Review impacts, definitions and priorities with key stakeholders, refine if necessary

5.3 Process

Willmott Dixon is developing consistent processes for managing supply across projects and have incorporated this into their induction programmes. An IT system is in development to support spend analysis and supplier performance management. EKPIs are used to measure the sustainability performance of the company as a whole. The supply chain strategy is structured and prioritised to enable appropriate relationships to be developed with suppliers, including a long term partnership approach for relevant categories.

In order to implement sustainable procurement effectively, it is necessary to use the impact definitions and priorities to embed sustainability into each stage of the supply chain management process. It may be necessary to review and update the risk management process before developing a clear definition of sustainability risks for implementation into the supply chain process and project process as a whole.



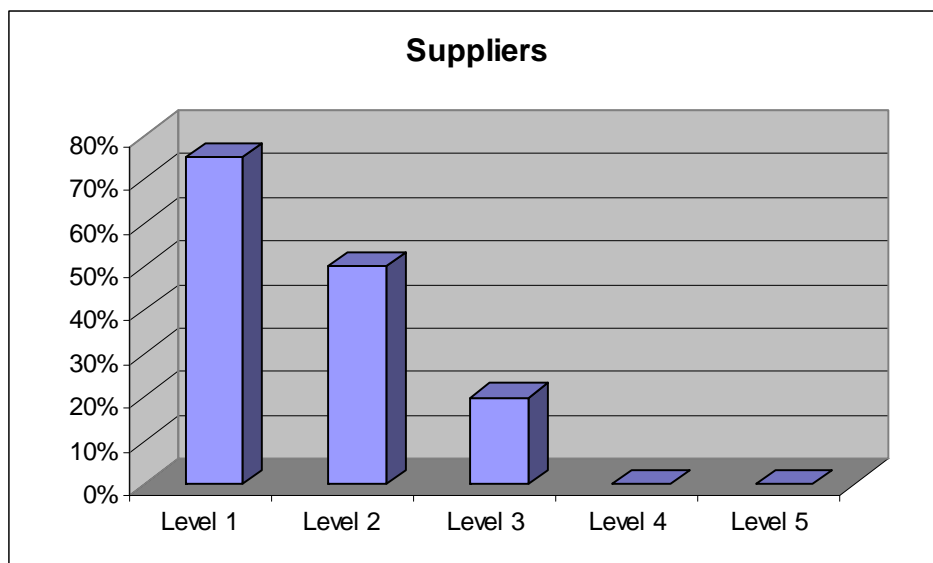
Recommendations - To achieve Level 2 (Process)

- 1 Review EKPIs and modify to include sustainable procurement metrics
- 2 Develop model prequal and award criteria based on priorities & definitions of impacts
- 3 Develop minimum standards based on priorities and implement with relevant suppliers
- 4 Develop whole life value evaluation criteria for contracts
- 5 Develop "typical" risk statements and mitigation related to sustainable procurement to incorporate into project risk matrix

5.4 Suppliers

Willmott Dixon was an early adopter of the Latham recommendations related to partnership in the supply chain and remains committed to those principles. This places them well to develop a new approach built on strong, well established relationships. Supplier performance management is well established and will enable the introduction of sustainability performance measures based on sound processes and relationships.

The formation of a supplier forum is recommended to start this process, given the strength and depth of supplier relationships that already exist it will be possible to engage the supply chain from an early stage in this development.



Recommendations - To achieve Level 2 (Suppliers)

- 1 Establish key supplier workshops to communicate priorities
- 2 Develop a structured supplier engagement programme
- 3 Set up a supplier group to discuss and agree sustainability issues

5.5. Results

Whilst the established supplier management processes and application of EKPIs assists in the development of sustainable procurement measures, there is more to be done to establish a comprehensive range of performance measures to reflect best practice in this area.

It is important not to rush into performance measures, the priorities and objectives must be established first. Consideration then needs to be given to developing sustainability measures within the existing suite of supplier performance measures and to integrate reputation risk issues into the risk management process.

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| Recommendations - To achieve Level 2 (Results) | |
|---|--|
| 1 | 1 Identify and define key sustainability impacts |
| 2 | 2 Define key sustainability risks for significant categories |
| 3 | 3 Develop performance measures to reflect key sustainability impacts |

6.0 Use of the Evaluation Tool

The tool has been developed and tested in a “live” environment with a key client. The following conclusions have been drawn:

- It is easy to use and the questions are relevant to a real business situation
- The tool enables collection of verifiable data and evidence, which could be used as an assurance or audit tool in future
- Flexible Framework, which is a significant improvement on the simple tool currently available on the Action Sustainability website
- The scoring mechanism currently gives equal weight to all criteria, more work is needed to ensure appropriate weightings are applied to provide an accurate benchmark

- The tool is currently only available in Excel, further work to develop a web enabled version will be funded by the BREW core funding available to Action Sustainability in 2007/8
- Action Sustainability plans to work with Farnell and West Sussex Council to use the tool to and develop it further over the next 4-6 months.

7.0 Response from Willmott Dixon

As a result of this pilot, the Chief Executive Officer has appointed a Senior Director to lead the sustainable procurement agenda and has committed £30,000 to achieve Level 2 status in the Flexible Framework with potential further commitment to progress the programme to best practice. A copy of the new Willmott Dixon sustainable procurement policy and project execution plan are attached to this report.

Willmott Dixon Sustainable Procurement Policy

Policy

Willmott Dixon is committed to undertake all of its activities on a more sustainable basis. We will work in partnership with our supply chain to deliver wider social, economic and environmental objectives, in ways that offer real long-term benefits.

Purpose

We are doing this in order to add value to our client's projects and differentiate ourselves in our market sector by standing out from the crowd. Success will result in retaining our clients and winning more competitive business from high quality clients who share our commitment to this agenda.

Key Principles

We will develop an action plan to reflect the following key principles:

Putting people first

We will work in partnership with our supply chain to ensure the health, safety and welfare of our workforce and to ensure that they are employed fairly, in an environment that is free from discrimination and fear. We will develop and retain a well trained workforce that reflects the diversity of the areas in which we operate.

Promoting economic benefit and offering value for money

We will develop close relationships with a smaller number of suppliers who are able to offer best, whole life value in a competitive environment. We will promote competitive sourcing of materials supplied locally in the areas in which we operate.

Protecting the environment

We will act with due consideration to the environment in which we operate and help to reduce our wider environmental impact by reducing our waste and carbon footprint and by obtaining materials from the most appropriate sustainable sources.

Measures

We will work in partnership with our supply chain to measure our performance in the following areas;

- Considerate Constructors scores,
- CSCS statistics,
- Accident statistics,
- Waste to landfill,
- Recycled content of materials,
- Use of sustainably sourced materials,
- Number of apprentices trained and retained in the supply chain,
- Number of suppliers against category targets,
- Reduced carbon footprint,
- Sources of labour, diversity and location.

Attachment 03



Project Execution Plan

Willmott Dixon

Sustainable Supply Chain Management Strategy

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Draft 2

16th March 2007

1.0 Purpose

To develop and implement a sustainable supply chain management strategy for Willmott Dixon Ltd.

2.0 Objectives

To achieve Level 2 as defined in the Sustainable Procurement Task Force Flexible Framework;

- **People** – To work with Re-Thinking to build capacity with appropriate learning interventions with staff dealing with suppliers,
- **Policy** – To further define the sustainable supply chain management policy by defining the sustainability impacts, objectives, goals and measures,
- **Process** – Develop and implement processes that ensure delivery of sustainable supply chain management,
- **Suppliers** – Communicate policy and objectives to suppliers and engage the supply chain in the programme,
- **Results** – Define and implement appropriate performance measures.

3.0 Goals

- **People** – Training needs analysis complete, learning interventions developed. Plan and contractual arrangements in place to deliver through Re-Thinking,
- **Policy** – Key sustainability impacts defined in a way that is meaningful for supply chain management professionals,
- **Process** – Risk management, prequalification, award and supplier management processes developed and available to roll out,
- **Suppliers** – Communication to suppliers rolled out, supplier engagement group operating,
- **Results** – Appropriate performance measures developed and ready to use.

4.0 Resources

Steering Group

It is recommended that a steering group is formed to provide direction to the project, comprising:

- Rob Lambe (Chair)
- Shaun McCarthy – Action Sustainability
- George Martin – Re-Thinking
- Divisional Managing Directors

- Chrissie Chadney – HR
- Mike Cart – Strategic Teams

The group would form the attendee list along with John Frankiewicz, for the initial workshop.

The group should meet every 4-6 weeks to review progress and provide direction.

Working Group

Appointment of an assistant is recommended to follow up detailed actions, possibly a placement student or a member of staff taking advantage of a career development opportunity. This resource could be provided by Action Sustainability if required, but is not included in the current fee proposal.

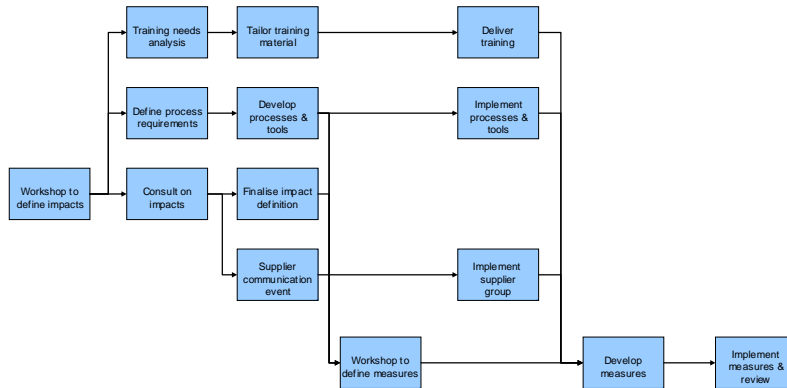
The working group should comprise representatives from:

- Project management
- Supply Chain
- HR
- Sustainability
- Business Development
- Key suppliers (after communication)

Programme

A detailed project programme is attached in MS Project, the timescales are estimates to be further defined after the first workshop. Key activities and milestones as follows:

Willmott Dixon - Key Milestones



Detailed Programme – See MPP File

