



AlixPartners

FLW CAPABILITY ASSESSMENT

How to complete this assessment

This self-assessment has been designed to allow firms to measure their progress on food waste reduction through a review of tangible practices across five pillars. Track your company's performance and see how your practices stack up.

MANUFACTURER



TARGET
SETTING



GOVERNANCE



METRICS AND
MEASUREMENT



OPERATIONAL
IMPLEMENTATION



DONATION AND
DESTINATION
OPTIMISATION



TARGET SETTING

How developed is strategic thinking around food waste and how sophisticated are associated targets/goals?

What targets do you set? How granular?

FLW CAPABILITY ASSESSMENT

BASIC PRACTICES	CURRENT 'GOOD' PRACTICES	EMERGING AND LEADING BEST PRACTICES
EXTERNAL COMMITMENTS		
<input type="checkbox"/> Publicly acknowledge importance of food waste reduction, however ambitions are unspecified/unquantified	<input type="checkbox"/> Stated pledge to reduce food waste and GHG emissions (e.g. joined the 10x20x30 initiative or have a stated goal of halving food waste by 2030)	<input type="checkbox"/> External commitments go beyond coalition goals
INTERNAL TARGETS		
<input type="checkbox"/> Internal targets set at group level	<input type="checkbox"/> Specific targets by business unit, factory/store that are backed by a transparent view between tonnage, cost and GHG impact	<input type="checkbox"/> Specific targets by line <input type="checkbox"/> True zero waste targets (e.g. no buffer in BOMs)
<input type="checkbox"/> Best effort food waste reduction targets on internal scorecard (e.g. we pledge to reduce food waste)	<input type="checkbox"/> External commitment is backed up by internal targets that meet or exceed external commitments	
<input type="checkbox"/> Combined GHG targets in place with high level plans for scope 1 and 2 GHG emissions	<input type="checkbox"/> GHG targets broken down to easily identifiable forms of waste <input type="checkbox"/> Actionable functional KPIs in place to deliver scope 1 and 2 emissions – including impact from food waste	<input type="checkbox"/> Ambitious GHG targets broken out between waste and other carbon generators with clear KPIs providing actionable measurement <input type="checkbox"/> Specific plans and actionable function KPIs in place to cover scope 1, 2 and 3 emissions – including impact from food waste



GOVERNANCE

Who is responsible for food waste reduction? How are they assessed?

How does the company look to influence others in their value chain?

Is the importance of reducing food waste from both a cost and a net zero perspective clear and incentivized?

FLW CAPABILITY ASSESSMENT

BASIC	CURRENT 'GOOD PRACTICE'	LEADING/EMERGING BEST PRACTICE
<ul style="list-style-type: none"> <input type="checkbox"/> Sustainability lead exists <input type="checkbox"/> Food waste is an explicit part of the sustainability agenda <input type="checkbox"/> Sustainability team owns explicit food waste targets 	<ul style="list-style-type: none"> <input type="checkbox"/> Joint food waste reduction targets and KPIs across the business <input type="checkbox"/> Overarching sustainability goals are a regular agenda item in management meetings 	<ul style="list-style-type: none"> <input type="checkbox"/> Fully integrated food waste KPIs between operations, finance, and sustainability <input type="checkbox"/> Net zero, including the impact of food waste, is a regular agenda item in management meetings
<ul style="list-style-type: none"> <input type="checkbox"/> KPIs target waste reduction and/or GHG reduction as a whole, but may not target food waste reduction specifically 	<ul style="list-style-type: none"> <input type="checkbox"/> KPIs focus on food waste reduction through productivity improvements 	<ul style="list-style-type: none"> <input type="checkbox"/> Actionable KPIs embedded routinely in productivity plans with cross-functional ownership <input type="checkbox"/> KPIs based on zero waste <input type="checkbox"/> Clear linkage between food waste reduction KPIs and the P&L
<ul style="list-style-type: none"> <input type="checkbox"/> Some individuals within the organization are incentivized based on meeting/exceeding waste and/or emissions reduction targets 	<ul style="list-style-type: none"> <input type="checkbox"/> Management KPIs and incentives include meeting net zero/food waste reduction commitments <input type="checkbox"/> Individuals and teams are incentivized to measure and reduce food waste 	<ul style="list-style-type: none"> <input type="checkbox"/> Food waste reduction KPIs and metrics are imbedded in scorecards across the organization and are a key driver of incentives
<ul style="list-style-type: none"> <input type="checkbox"/> Identify target areas along the value chain that require additional intervention to reduce food waste 	<ul style="list-style-type: none"> <input type="checkbox"/> Engage in discussions with suppliers to help reduce GHG food waste and emissions along the entire value chain 	<ul style="list-style-type: none"> <input type="checkbox"/> Track and rate suppliers based on their food waste reduction commitments and actions



METRICS AND MEASUREMENT

What do you measure and how?

FLW CAPABILITY ASSESSMENT

BASIC PRACTICES	CURRENT 'GOOD' PRACTICES	EMERGING AND LEADING BEST PRACTICES
<input type="checkbox"/> Food waste measured as variation against internal standard, may be an estimated part of total waste	<input type="checkbox"/> Standardized food waste measurement methodology in place (e.g. FLWS)	<input type="checkbox"/> Adoption/evaluation of emerging food waste measurement standards
<input type="checkbox"/> Food waste tracked at enterprise or BU level	<input type="checkbox"/> Waste is quantified and report from production to packaging at plant level	<input type="checkbox"/> Waste measured at source (key points on lines, including cleaning losses)
<input type="checkbox"/> Calculation are based on solid waste disposal	<input type="checkbox"/> Able to estimate liquid waste (what goes down the drain)	<input type="checkbox"/> Detailed calculations of liquid waste
<input type="checkbox"/> Waste measured by total disposal volume	<input type="checkbox"/> Detailed waste tracking at key points in production	<input type="checkbox"/> Discrete measurement of the costs of food waste at a manufacturing line level
<input type="checkbox"/> Calculation of financial value based upon disposal costs	<input type="checkbox"/> Both financial and GHG emissions associated with food waste are measured	<input type="checkbox"/> Waste measurement embedded in functional KPI's (e.g. operations and sustainability)
<input type="checkbox"/> Food waste measurement includes damaged goods to landfill, mass balance, packaging, and variance to yield standard	<input type="checkbox"/> Labor, utilities, and equipment maintenance costs are included within GHG emissions and financial food waste measurements	<input type="checkbox"/> Zero yield loss standard in product BOMs <input type="checkbox"/> All aspects of production including re-work, raw material inputs are measured
<input type="checkbox"/> High-level estimate of GHG emissions based on tonnage		<input type="checkbox"/> Assessment of societal good of key destinations



OPERATIONAL IMPLEMENTATION

To what extent is food waste reduction embedded into operations?

How well can you put strategy into action?

BASIC PRACTICES	CURRENT 'GOOD' PRACTICES	EMERGING AND LEADING BEST PRACTICES
<ul style="list-style-type: none"><input type="checkbox"/> Food waste is primarily measured on disposal<input type="checkbox"/> Limited ability to target issues in real time	<ul style="list-style-type: none"><input type="checkbox"/> Line operators can measure the true cost of food waste at multiple stages of production and can identify issues as they arise<input type="checkbox"/> There are some automated solutions in place to improve quality control processes and tackle waste	<ul style="list-style-type: none"><input type="checkbox"/> Line operators can measure the true cost of food waste at each discrete step of production and can proactively address issues as they arise<input type="checkbox"/> Widespread use of automation, tech, and tools to support measurement and action
<ul style="list-style-type: none"><input type="checkbox"/> Reliance on 3rd party providers for food waste measurements (e.g. tonnage and cost)	<ul style="list-style-type: none"><input type="checkbox"/> Internally able to accurately measure solid food waste and estimate liquid waste<input type="checkbox"/> Solid understanding of food waste drivers	<ul style="list-style-type: none"><input type="checkbox"/> Internally able to accurately measure solid and liquid waste at each production phase<input type="checkbox"/> True cost of waste and associated drivers is well understood
<ul style="list-style-type: none"><input type="checkbox"/> Review terms and conditions with suppliers to mitigate waste (either in transit or during production)	<ul style="list-style-type: none"><input type="checkbox"/> Review quality standards to identify opportunities to limit what is classified as waste (but still fit for human consumption)	<ul style="list-style-type: none"><input type="checkbox"/> Partnerships with suppliers and customers to reexamine recipe construction to reduce food waste
<ul style="list-style-type: none"><input type="checkbox"/> Mitigate scrap through rework (e.g. potato to fry to tater tot)	<ul style="list-style-type: none"><input type="checkbox"/> Engage in upcycling opportunities	<ul style="list-style-type: none"><input type="checkbox"/> Continuous improvement – look to stop waste before it occurs
<ul style="list-style-type: none"><input type="checkbox"/> Standard costs allow for waste quotient (e.g. include a buffer). OEE targets aim to reduce '> standard' waste	<ul style="list-style-type: none"><input type="checkbox"/> Zero waste culture on the shop floor: all hidden costs identified<input type="checkbox"/> Waste prioritized as a key productivity driver	<ul style="list-style-type: none"><input type="checkbox"/> No buffer in the BOM, true value of cost (incl. rework) is well understood and assessed<input type="checkbox"/> Waste reduction culture extends beyond factory walls to cover E2E supply chain
<ul style="list-style-type: none"><input type="checkbox"/> Production sites routinely review performance and look for improvement opportunities	<ul style="list-style-type: none"><input type="checkbox"/> Best practices shared amongst sites to drive performance	<ul style="list-style-type: none"><input type="checkbox"/> Best practices shared both internally and between peers



DONATION AND DESTINATION OPTIMISATION

How is unsold product disposed? How do you ensure it is sent to the 'best' location as early in the value chain as possible?

How do you ensure unsold product makes it to the 'best location'?

BASIC PRACTICES	CURRENT 'GOOD' PRACTICES	EMERGING AND LEADING BEST PRACTICES
<p>Keep waste out of landfills, incinerators and sewers; send waste to more environmentally preferred channels:</p> <ul style="list-style-type: none"><input type="checkbox"/> Animal feed<input type="checkbox"/> Composting<input type="checkbox"/> Anaerobic digestion (energy conversion)	<ul style="list-style-type: none"><input type="checkbox"/> Bring donations up the value chain and collaborating with redistribution charities	<ul style="list-style-type: none"><input type="checkbox"/> Donations are pre-planned (not a side effect of having surplus food) to have the maximum societal impact
<ul style="list-style-type: none"><input type="checkbox"/> Engage with local landfills as demand requires<input type="checkbox"/> If there is surplus food available, it may be sent to charities	<ul style="list-style-type: none"><input type="checkbox"/> Engage communities and consumers through marketing and external relations<input type="checkbox"/> Known surplus is systematically directed to charities	<ul style="list-style-type: none"><input type="checkbox"/> Actionable pledges linking consumer action to specific actions and partnerships<input type="checkbox"/> Long-term collaborations with range of food waste charities and supply-chain partners

GETTING THE MOST OUT OF THE FLW CAPABILITY ASSESSMENT

- Take an unvarnished view of your company's capabilities – the results will be much more useful if you are a tough grader.
- Engage key SMEs and stakeholders to develop a well-rounded perspective on current state.
- Not all gaps are created equal. Carefully assess, quantify and prioritize the gaps that, if closed, will offer the most impact, the fastest.
- Once you have a prioritized plan of action across 2-3 priority waves, integrate it with your planning and resource-allocation processes.
- As you implement capability improvement, put KPIs in place that measure progress and enable credible communication on the progress made.

For more information reach out to:

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Use this assessment tool and join the
CGF's Food Waste Coalition of Action

