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**REPORT ON THE VENDORS'
SUSTAINABILITY EVALUATION TOOL**



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1. Introduction

With growing global emphasis on corporate sustainability and accountability, organizations are increasingly expected to meet rigorous Environmental, Social, and Governance (ESG) standards. This shift reflects a border recognition of the need for transparency, ethical practices, and sustainable operations in today's business landscape. To support this effort, this evaluation tool, created alongside industry experts, is designed to collect and assess detailed quantitative and qualitative data regarding a vendor's environmental impact, social commitments, and governance frameworks. Moreover, it functions as a practical resource for gauging a vendor's preparedness for sustainable transitions and their capacity to drive positive change across their supply chain and business ecosystem.

The evaluation tool is structured around five comprehensive sections:

- 1) Climate Impact – Includes questions regarding greenhouse gas (GHG) emissions, energy consumption, and carbon footprint management.
- 2) Biodiversity and Conservation – Covers vendor activities related to protecting and restoring biodiversity in their business operations or supply chain
- 3) Sustainability Transition – Focuses on qualitative insights into how sustainability is embedded within the vendor's strategy, operational processes, and innovation efforts.
- 4) Social Responsibility and Governance – Evaluates the vendor's governance structures, social policies, and community impact, including labor practices, diversity, and ethical governance.
- 5) Energy Efficiency – Reflects a company's dedication to optimizing energy use, reducing waste, and minimizing environmental impact.

This comprehensive evaluation tool not only offers a snapshot of the vendor's current practices but also highlights areas where improvements may be necessary. The purpose is to guide vendors and their partners toward enhanced sustainability practices, regulatory compliance, and long-term resilience. For each question within the tool, respondents are asked to select the response that best reflects their current practices. Responses are assigned points based on their alignment with best practices in sustainability. The total score provides an overall sustainability rating for the vendor, with higher scores reflecting stronger adherence to social responsibility, environmental stewardship, and effective governance. This scoring system enables businesses to track progress over time and prioritize areas for continuous improvement.

2. Questionnaire types

2.1. Sustainable Transition

The Sustainable Transition section aims to evaluate a company's readiness to adapt to emerging sustainability regulations and market demands. As businesses increasingly prioritize sustainable practices, this assessment focuses on gauging the integration of sustainability into company strategy, compliance with regulatory frameworks, and the incorporation of sustainable products and practices. Companies that proactively embrace sustainability not only position themselves to meet regulatory requirements, such as the Corporate Sustainability Reporting Directive (CSRD), but also respond effectively to consumer and stakeholder preferences for sustainable goods and services. This evaluation serves to highlight a company's strengths and areas for growth, while also measuring its capacity to meet future challenges in sustainability. The following questions are included in the Sustainable Transition section:

1. Sustainable Strategy and Reporting

- 1.1. Does your company have a formal sustainability strategy?
- 1.2. Does your company prepare a sustainability report?
- 1.3. Does your company produce other sustainability-related reports (e.g., Environmental Report)?

2. Compliance with Regulatory Standards

- 2.1. Is your company aware of upcoming requirements under the Corporate Sustainability Reporting Directive (CSRD)?
- 2.2. Has your company taken steps to prepare for increased regulatory requirements on sustainability reporting?
- 2.3. Does your company hold any sustainability certifications or Environmental Product Declarations (EPD)?
- 2.4. Has your company signed any external sustainability commitments or followed international/local best practice standards?

3. Sustainable Products and Practices

- 3.1. Does your company offer environmentally friendly products or use sustainable practices (e.g., circular economy principles)?
- 3.2. Does your company ask for Environmental Product Declarations (EPD) from product suppliers?
- 3.3. Does your company have a plan to reduce the environmental impact of its products/services?
- 3.4. Does your company engage with investors or other stakeholders on sustainability performance?

In this section, responses to each question will be used to calculate a score that reflects the company's overall readiness for a sustainable transition. Higher scores indicate

stronger alignment with regulatory requirements and evolving market trends. The Sustainable Transition section exclusively utilizes Yes or No answers in the dropdown list for each question, enabling companies to quickly assess their performance. By selecting the appropriate response, companies can identify both their strengths and areas needing further development to meet sustainability objectives and align with market expectations.

2.2. Climate Change Action

Climate change and environmental degradation present significant challenges to global social, economic, and business landscapes. Greenhouse gas (GHG) emissions are recognized as primary drivers of climate change, with energy consumption—particularly from fossil fuels—accounting for a major share of these emissions. The European Union has set ambitious targets, including reducing GHG emissions by 55% by 2030 and achieving climate neutrality by 2050. As businesses play a pivotal role in the journey toward a low-emission economy, every action, no matter how incremental, contributes to this collective mission. This section aims to evaluate your company's impact on the climate, specifically through the lens of GHG emissions and energy consumption, as well as your plans and targets for improvement. The questions provided here will help assess the extent to which your company monitors, reports, and mitigates its GHG emissions, incorporates renewable energy into its operations, and adapts to climate-related risks. The following questions are included in the Climate Change Action section:

1. GHG emissions monitoring and reporting

- 1.1. Does your company measure its GHG emissions related to its dairy production and processing activities?
- 1.2. Scope 1 (Direct emissions from company-owned sources)
- 1.3. Scope 2 (Indirect emissions from purchased energy)
- 1.4. Scope 3 (All other indirect emissions, e.g., transportation, supply chain emissions)
- 1.5. Which methodology is used for GHG emissions estimates?
- 1.6. Are these estimates verified/audited by a third party?
- 1.7. Does your company have any targets or commitments to reduce GHG emissions?

2. Renewable energy

- 2.1. Does your company use renewable energy sources for any of its operations?
- 2.2. If yes, please indicate the percentage (%) of total energy from renewable sources:
- 2.3. Does your company have a plan to increase its use of renewable energy in the future?
- 2.4. If yes, please provide details of the plan in terms of percentage (%) increase over the next 5 years

3. Climate adaptation actions

- 3.1. Has your company identified any risks to its operations related to climate change (e.g., changes in weather patterns affecting milk production, water scarcity, etc.)?
- 3.2. Does your company have a climate adaptation or resilience plan in place?
- 3.3. Does your company engage with suppliers to reduce emissions in the supply chain (e.g., sourcing from sustainable dairy farms, transportation efficiency)?

In this section, companies will be evaluated based on their selected responses from the dropdown list provided for each question. This method ensures a consistent and measurable assessment of each organization's current practices and future commitments regarding climate change mitigation, adaptation, and the adoption of renewable energy. Higher scores will reflect greater alignment with industry best practices and a stronger commitment to reducing environmental impact and achieving sustainability goals.

2.3. Biodiversity

Biodiversity refers to the variety of life forms on Earth, encompassing the diversity of plant and animal species found in various ecosystems and regions. It plays a critical role in maintaining ecological balance, supporting climate stability, and contributing to economic and human well-being. Biodiversity is vital for the long-term sustainability of businesses, as it underpins the natural capital from which companies derive essential resources, while sustaining key ecosystem functions such as soil fertility, water purification, and air quality.

The private sector's influence on biodiversity can be both positive and negative. Business operations often risk disrupting ecosystems and leading to habitat destruction or species loss. However, companies also possess significant resources and innovative capabilities to mitigate their impacts and develop solutions for conserving and enhancing biodiversity. Through effective measures, the private sector can contribute to safeguarding ecosystems, promoting sustainable resource use, and addressing biodiversity-related challenges. To assess and guide a company's impact on biodiversity, this evaluation tool features several key questions that cover the strategies and actions companies may employ to avoid, minimize, or compensate for their biodiversity impact:

1. Does your company implement measures to avoid negative impacts on biodiversity during dairy operations (e.g., preventing habitat destruction, species loss)?
2. When negative biodiversity impacts cannot be avoided, what actions does your company take to minimize the severity or intensity of these impacts?
3. Do you take actions to restore degraded ecosystems?
4. In cases where biodiversity loss cannot be avoided, minimized, or restored, do you compensate for the remaining impact (e.g., creating alternative habitats, contributing to conservation funds)?
5. Does your company encourage suppliers or dairy farmers in your supply chain to adopt practices that avoid, mitigate, restore, or compensate for biodiversity impacts?

Each of the questions above is evaluated independently based on different criteria, such as the scope of actions taken, their effectiveness in addressing biodiversity risks, and the level of engagement with external stakeholders like suppliers or local communities. Companies should consider their responses carefully, ensuring they accurately reflect the practices in place, as these answers will help assess strengths, identify areas for improvement, and provide insights into future opportunities for enhancing biodiversity efforts. By integrating biodiversity management into operations, companies can play an active role in biodiversity conservation, contribute to ecosystem health, and demonstrate leadership in environmental responsibility.

2.4. Social Responsibility

Social responsibility encompasses a company's commitment to ethical practices, fair treatment of its workforce, and its contributions to the well-being of society as a whole. It reflects how companies respond to the needs of different groups, including local communities, customers, suppliers, and government bodies. As part of evaluating social responsibility, the company will need to address the following questions. Each question will be evaluated individually based on the response provided. For each question, the company should select the most appropriate answer from a dropdown list, which will then be used to assess the company's practices in relation to social responsibility. The answers will be evaluated on various criteria, such as adherence to ethical guidelines, inclusivity, transparency, and commitment to community well-being. The following questions are included in the Social Responsibility section:

1. Does the company have a formal policy addressing employee health and safety?
2. How does the company ensure workplace diversity and inclusion?
3. Does the company participate in training on social responsibility and ethical behavior for employees?
4. How does the company engage with the local community to contribute to its well-being?
5. Does the company ensure fair labour practices, such as fair wages, benefits, and non-discrimination?
6. How transparent is the company's reporting on social issues (e.g., employee well-being, diversity, community impact)?
7. Does the company provide any form of support or initiatives for employee well-being beyond legal requirements (e.g., mental health support, work-life balance)?

Each question in this section addresses a distinct aspect of a company's commitment to social responsibility. By providing clear, honest, and accurate answers from the dropdown list, the company will be able to demonstrate its practices and policies related to ethical behavior, employee welfare, diversity, and community engagement. Each response will be evaluated individually based on the company's demonstrated efforts and compliance with social responsibility standards.

2.5. Energy Efficiency

Energy efficiency reflects a company's commitment to optimizing energy use, minimizing waste, and reducing its overall environmental impact. This commitment often involves adopting strategic measures such as energy management systems, conducting comprehensive energy audits, and continuously benchmarking energy consumption to drive performance improvements. By prioritizing energy efficiency, companies can lower costs, bolster operational sustainability, and align with broader environmental objectives through targeted investments and ongoing energy-saving initiatives. Each question is evaluated differently based on company responses, and companies are encouraged to select the most appropriate option from a dropdown list provided with each question. The questions are not personalized, and responses should reflect the company's overall approach and practices.

This section consists of different questions designed to assess a company's energy efficiency practices.

1. Does your company have an energy management system (e.g. according to ISO 50001) or an energy manager? Please choose the appropriate statement.
2. Has your company conducted an energy audit? Please choose the appropriate statement.
3. Does your company evaluate the specific energy consumption (e.g. kWh/kg, MJ/kg)?
4. Does your company use energy benchmarking to compare with other data?
5. Has your company invested in energy efficiency in the last 5 years for reducing energy consumption?
6. Has your company reduced energy consumption in the last 5 years thank to investments in energy efficiency?

Each question should be answered based on the company's practices and procedures. Responses should be selected from a dropdown list, and the evaluation is conducted differently for each question to provide a comprehensive view of the company's energy efficiency practices. It is important to select the option that best reflects the company's current status to ensure an accurate assessment of energy efficiency efforts. This structured approach enables a thorough evaluation of energy efficiency initiatives and helps companies identify areas for improvement, align with best practices, and enhance their overall energy performance.

3. Method of calculation

This section outlines the approach used to evaluate a company's responses to the sustainability assessment questions. The scoring methodology is based on whether the company meets specific sustainability criteria through its policies, actions, and commitments. Points are awarded based on responses selected from dropdown options. Each question is weighted differently to reflect its importance in the overall evaluation, offering a comprehensive assessment of the company's progress toward sustainable practices. This method ensures a structured, objective, and transparent approach to measuring sustainability performance.

Table 1 outlines questions evaluating a company's progress toward a sustainable transition across three main areas: Sustainability Strategy and Reporting, Compliance with Regulatory Standards, and Sustainable Products and Practices. Company must answer to each question by selecting from a dropdown list, with options typically including 'Yes' (5 points) or 'No' (0 points). This scoring mechanism allows for a straightforward evaluation based on the company's practices and initiatives in each area, providing a comprehensive view of their sustainable transition efforts.

Sustainability Transition			
No.	Questions	Response	Points
1	Sustainability Strategy and Reporting		

1.1	Does your company have a formal sustainability strategy?	Yes	5
		No	0
1.2	Does your company prepare a sustainability report?	Yes	5
		No	0
1.3	Does your company produce other sustainability-related reports (e.g., Environmental Report)?	Yes	3
		No	0
2	Compliance with Regulatory Standards		
2.1	Is your company aware of upcoming requirements under the Corporate Sustainability Reporting Directive (CSRD)?	Yes	3
		No	0
2.2	Has your company taken steps to prepare for increased regulatory requirements on sustainability reporting?	Yes	3
		No	0
2.3	Does your company hold any sustainability certifications or Environmental Product Declarations (EPD)?	Yes	3
		No	0
2.4	Has your company signed any external sustainability commitments or followed international/local best practice standards?	Yes	3
		No	0
3	Sustainable Products and Practices		
3.1	Does your company offer environmentally friendly products or use sustainable practices (e.g., circular economy principles)?	Yes	3
		No	0
3.2	Does your company ask for Environmental Product Declarations (EPD) from product suppliers?	Yes	3
		No	0
3.3	Does your company have a plan to reduce the environmental impact of its products/services?	Yes	3
		No	0
3.4	Does your company engage with investors or other stakeholders on sustainability performance?	Yes	3
		No	0

Table 1. Sustainable Transition evaluation points

Table 2 evaluates a company's actions and commitments related to "Climate Impact" through three main sections: GHG Emissions Monitoring and Reporting, Renewable Energy, and Climate Adaptation Actions. The assessment aims to understand the company's practices in measuring and managing greenhouse gas emissions, its use and plans for renewable energy, and its initiatives to adapt to climate-related risks.

The scoring mechanism allows companies to reflect their current status and plans in each category, based on whether specific actions are taken, or targets are set. Companies can select from the provided dropdown list of options. The scoring varies based on the range of renewable energy utilization or planned increases over time. This evaluation helps determine a company's overall climate impact preparedness and commitment

Climate Change Action			
No.	Questions	Response	Points
1	GHG Emissions Monitoring and Reporting		
1.1	Does your company measure its GHG emissions related to its dairy production and processing activities?	Yes	5
		No	0
1.2	Scope 1 (Direct emissions from company-owned sources)	Yes	3
		No	0
1.3	Scope 2 (Indirect emissions from purchased energy)	Yes	3
		No	0
1.4	Scope 3 (All other indirect emissions, e.g., transportation, supply chain emissions)	Yes	5
		No	0
1.5	Which methodology is used for GHG emissions estimates?	GHG protocol	3
		Other	1
		No methodology	0
1.6	Are these estimates verified/audited by a third party?	Yes	5
		No	0
1.7	Does your company have any targets or commitments to reduce GHG emissions?	Yes	5
		No	0
2	Renewable Energy		
2.1	Does your company use renewable energy sources for any of its operations?	Yes	3
		No	0
2.2	If yes, please indicate the percentage of total energy from renewable sources:	0-25%	2
		26-50%	4
		51-75%	6
		76-100%	8
2.3	Does your company have a plan to increase its use of renewable energy in the future?	Yes	3
		No	0
2.4	If yes, please provide details of the plan in terms of % increase over the next 5 years	0-10% increase	2
		11-25% increase	4
		26-50% increase	6

		More than 50% increase	8
3	Climate Adaptation Actions		
3.1	Has your company identified any risks to its operations related to climate change (e.g., changes in weather patterns affecting milk production, water scarcity, etc.)?	Yes	5
		No	0
3.2	Does your company have a climate adaptation or resilience plan in place?	Yes	5
		No	0
3.3	Does your company engage with suppliers to reduce emissions in the supply chain (e.g., sourcing from sustainable dairy farms, transportation efficiency)?	Yes	5
		No	0

Table 2. Climate Change Action evaluation points

Table 3 outlines the evaluation questions for a company's biodiversity-related initiatives within the context of dairy operations. The assessment focuses on various stages of biodiversity impact management, including avoidance, minimization, restoration, and compensation. It also examines engagement with supply chain partners to promote biodiversity-conscious practices. The scoring for each question reflects the company's level of commitment and comprehensiveness in addressing biodiversity impacts. The scoring options include: No action or limited action (0-1 point) and Formalized measures or comprehensive strategies (2-3 points). The evaluation provides a holistic view of the company's biodiversity practices and its commitment to minimizing and compensating for any negative environmental impacts.

Biodiversity			
No.	Question	Response Options	Points
1	Does the company implement measures to avoid negative impacts on biodiversity during dairy operations (e.g., preventing habitat destruction, species loss)?	No measures in place	0
		Some avoidance measures taken but with no formal policy	1
		Formal avoidance measures are in place	2
		Comprehensive avoidance measures are implemented	3
2	When negative biodiversity impacts cannot be avoided, what actions does the company take to minimize the severity or intensity of these impacts?	No actions to minimize impacts	0
		Some mitigation efforts but without a formal plan	1
		Formal mitigation measures are in place	2
		Comprehensive mitigation strategy, including ongoing monitoring	3
3	Does the company take actions to restore degraded ecosystems?	No restoration actions	0
		Minimal restoration efforts	1
		Some restoration efforts but no comprehensive plan	2

		Comprehensive restoration measures, with targets and follow-up actions	3
4	In cases where biodiversity loss cannot be avoided, minimized, or restored, does the company compensate for the remaining impact (e.g., creating alternative habitats, contributing to conservation funds)?	No compensation measures	0
		Limited compensation measures	1
		Formal compensation efforts	2
		Comprehensive compensation program with regular reviews	3
5	Does the company encourage suppliers or dairy farmers in its supply chain to adopt practices that avoid, mitigate, restore, or compensate for biodiversity impacts?	No engagement with suppliers	0
		Limited engagement with focus on mitigation	1
		Regular engagement with focus on both mitigation and restoration	2
		Strong engagement promoting avoidance/mitigation/restoration/compensation across the supply chain	3

Table 3. Biodiversity evaluation points

Table 4 outlines a structured assessment framework for evaluating a company's approach to social responsibility in key areas such as employee health and safety, diversity and inclusion, community engagement, and more. The evaluation criteria reflect the extent to which the company actively and transparently promotes social responsibility practices. Higher scores are awarded for more comprehensive and systematic efforts, reflecting a strong commitment to positive social impact. Specific scoring is provided based on the level of action, from comprehensive policies and initiatives to minimal or no action. This scoring approach enables clear benchmarking and highlights areas for potential improvement.

Social Responsibility			
No.	Question	Response Options	Points
1	Does your company have a formal policy addressing employee health and safety?	Yes, comprehensive policies with regular reviews and updates	5
		Yes, but the policy is limited or outdated	3
		No formal policy	0
2	How does your company ensure workplace diversity and inclusion?	We actively promote and monitor diversity and inclusion through clear policies and programs	5
		There are some efforts, but no formal programs	3
		There are no specific actions regarding diversity and inclusion	0

3	How does your company engage with the local community to contribute to its well-being?	Active engagement through partnerships, donations, and community programs	5
		Occasional involvement in community activities	3
		No involvement in community initiatives	0
4	How does your company engage with the local community to contribute to its well-being?	Active engagement through partnerships, donations, and community programs	5
		Occasional involvement in community activities	3
		No involvement in community initiatives	0
5	Does your company ensure fair labor practices, such as fair wages, benefits, and non-discrimination?	Yes, we follow strict fair labor practices and regularly audit compliance	5
		Yes, but audits and reviews are infrequent	3
		No specific measures for fair labor practices	0
6	How transparent is your company's reporting on social issues (e.g., employee well-being, diversity, community impact)?	We publish detailed and transparent reports on social issues regularly	5
		We report some social aspects but not consistently or comprehensively	3
		We do not publish reports on social issues	0
7	Does your company provide any form of support or initiatives for employee well-being beyond legal requirements (e.g., mental health support, work-life balance)?	Yes, we have several initiatives that go beyond legal requirements	5
		Yes, but only minimal initiatives	3
		No, we only meet legal requirements	0

Table 4. Social Responsibility evaluation points

Table 5 shows the company's commitment and practices towards energy efficiency through the evaluation of key aspects such as the presence of a formal energy management system, conducting energy audits, and specific consumption evaluation. Points are awarded based on the comprehensiveness and depth of each practice, indicating a stronger focus on energy management and reduction initiatives. The use of energy benchmarking and investments in energy efficiency are critical to gauge a company's ongoing efforts in reducing energy consumption relative to best practices, competitors, and historical data. Similarly, measuring reductions in energy consumption resulting from past investments highlights the effectiveness and return on such initiatives.

Energy Efficiency			
No.	Question	Response Options	Points
1	Does your company have an energy management system (e.g. according to ISO 50001) or an energy manager? Please choose the appropriate statement.	We have a formal energy management system	5
		We do not have a formalized energy management system, but someone is following up on energy-related matters	3
		Nobody is following up on energy-related issues	0
		No answer/do not know	0
2	Has your company conducted an energy audit? Please choose the appropriate statement.	We have recently performed a comprehensive energy audit	6
		We have recently performed a comprehensive energy audit on a specific part of our processes	4
		We have performed a comprehensive energy audit in the past but now it is outdated	2
		We have never performed an energy audit	0
		No answer/do not know	0
3	Does your company evaluate the specific energy consumption (e.g. kWh/kg, MJ/kg)?	Yes	5
		No	0
		No answer/do not know	0
4	Does your company use energy benchmarking to compare with other data?	Yes, with other companies	5
		Yes, with other timescales	5
		Yes, with best practices	5
		No	0
		No answer/do not know	0
5	Has your company invested in energy efficiency in the last 5 years for reducing energy consumption?	Yes, our total investment on energy efficiency improvements represents <10% of total investments	2
		Yes, our total investment on energy efficiency improvements represents 10-25% of total investments	4
		Yes, our total investment on energy efficiency improvements represents 25-50% of total investments	6

		Yes, our total investment on energy efficiency improvements represents >50% of total investments	8
		No	0
		No answer/do not know	0
6	Has your company reduced energy consumption in the last 5 years thank to investments in energy efficiency?	Yes, savings of about 0-15% of the overall energy consumption	2
		Yes, savings of about 16-30% of the overall energy consumption	4
		Yes, savings of about 31-50% of the overall energy consumption	6
		Yes, savings of more than 50% of the overall energy consumption	8
		No	0
		No answer/do not know	0

Table 5. Energy Efficiency evaluation points

Once the questionnaire is completed by the company, the vendor's sustainability tool evaluates the responses and calculates the company's performance across several key areas. These areas typically include sustainable transition, climate change action, biodiversity, social responsibility, and energy efficiency.

For each question answered, the tool assigns a certain number of points based on how well the response aligns with sustainable practices or goals. After the company has answered all the questions, the tool calculates the total number of points awarded in each section. This step helps to identify the company's strengths and areas where it may need improvement. Next, the tool compares the total points scored in each section to the maximum possible points for that section. The maximum points are set based on the scale of the questions and the importance of the area being assessed. By dividing the total points in each section by the maximum possible points, the tool generates a percentage score for each section. This percentage reflects how well the company performed in each area, providing a clear view of their sustainability efforts.

Finally, the tool aggregates these percentages to give an overall picture of the company's sustainability performance. The resulting scores allow the company to see how well they are doing in key sustainability areas and where they may need to focus more efforts to improve their overall sustainability profile.

4. Result

The overall sustainability performance results indicate a varied level of preparedness and effectiveness across key sustainability dimensions (see Table 6).

Sustainability Dimension	Performance Range	Explanation
Readiness for Sustainable Transition	75-100%	Excellent readiness. The company is highly proactive in sustainability practices, regulatory compliance, and market adaptation.
	50-74%	Good readiness. Well-prepared for future regulatory and market changes but can improve in certain areas.
	25-49%	Moderate readiness. Some sustainability measures are in place but needs strengthening in regulatory compliance and market adaptation.
	0-24%	Limited readiness. Immediate action required to improve sustainability strategy, regulatory preparedness, and market adaptation.
Climate Change Action	75-100%	Excellent. Actively managing climate impact with strong targets, renewable energy strategies, and supplier engagement.
	50-74%	Good. Some initiatives in place but lack comprehensiveness or future planning.
	25-49%	Moderate. Limited efforts to manage GHG emissions; significant improvements needed across all areas.
	0-24%	Limited. Immediate actions required to improve climate change strategies.
	75-100%	Excellent. Actively managing climate impact with strong targets, renewable energy strategies, and supplier engagement.
Biodiversity Efforts	75-100%	Leading efforts. Best practices across all levels of biodiversity protection: avoidance, mitigation, restoration, and compensation.
	50-74%	Good efforts. Comprehensive actions with strong mitigation, restoration, and compensation strategies.
	25-49%	Moderate. Some actions in place, but more formalized initiatives needed.
	0-24%	Limited. Urgent improvements required to enhance biodiversity protection.
Social Responsibility	75-100%	Excellent. Strong social responsibility practices across key areas such as community engagement, human rights, and ethics.
	50-74%	Good. Solid foundation in social responsibility but room for further enhancement.
	25-49%	Fair. Meets some social responsibility criteria but requires stronger focus and action.
	0-24%	Poor. Lacks essential social responsibility practices and needs significant improvement.

Energy Efficiency	75-100%	Excellent. Strong energy efficiency practices and effective systems to reduce energy consumption.
	50-74%	Good. Solid foundation in energy efficiency but potential for further improvement.
	25-49%	Fair. Meets some energy efficiency criteria but needs enhanced efforts.
	0-24%	Poor. Lacks essential energy efficiency practices and requires immediate action to improve energy use.

Table 6. Explanation of overall sustainability performance result

In summary, the results across these sustainability dimensions reveal significant variation in performance, with certain companies excelling in preparedness and action, while others face challenges that require urgent attention and improvement to meet the growing demands of sustainability and regulatory compliance.

Overall, the Vendors' Sustainability Evaluation Tool provides a comprehensive framework to assess and guide vendors towards enhanced sustainability performance across five critical dimensions: sustainable transition, climate change action, biodiversity, social responsibility, and energy efficiency. The evaluation tool, structured with detailed questionnaires and a scoring mechanism, offers a transparent approach to measuring a company's adherence to best practices, regulatory compliance, and sustainability targets. By analyzing responses, businesses can identify their strengths and areas for improvement, positioning themselves to better meet evolving market demands and regulatory expectations.

The results presented in the report reveal varying levels of readiness and effectiveness among vendors. While some demonstrate excellent preparedness and commitment to sustainability goals, others exhibit moderate or limited engagement, indicating areas requiring significant improvement. Overall, the tool serves as both an assessment and a guiding resource, enabling vendors to enhance their sustainable practices, align with global standards, and contribute to broader environmental and social goals. This collective effort is crucial for driving positive change across supply chains and advancing sustainable development within industry ecosystems.



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