



Embedding Social Impact in Procurement

Key Metrics:

- Gradual increase in social supplier spend
- Catalogue access to 100,000+ products
- 239 procurement staff trained in sustainability-focused ideation
- Positive impact through the support of community programmes



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Which SPP thematic track does your case study align with?

People

Where does your case study sit within the procurement lifecycle?

Procurement Strategy & Supplier Development, Supplier Relationship Management (SRM)

What was the core challenge you were facing, and what was the context?

Our core challenge was to advance Zurich's sustainability and social impact agenda while maintaining high operational standards. At the time, there was no established approach for engaging social enterprises in our supply chain. Additionally, declining performance from an incumbent supplier made it necessary to reconsider traditional sourcing strategies. This context allowed us to introduce a social enterprise into the supplier selection process, fostering innovation and laying the foundation for more inclusive procurement practices.

What approach did you take to tackle the challenge?

In 2015, we invited a well-established social enterprise to participate in a competitive tender process alongside traditional suppliers. The social enterprise's proposal **met all the key criteria for price, quality, and service**, while offering **social impact as a distinctive added value**. After being awarded the contract, the supplier not only fulfilled all operational requirements but also exceeded expectations by implementing a series of impactful community programmes.

This early success encouraged us to **broaden the range of products sourced** and to engage the entire procurement function into the supplier's **corporate entrepreneurship training programme**.

Who was involved and how did you build buy-in?

The partnership began when our UK Head of Procurement met with a social enterprise at a country social enterprise networking event. Despite lacking a formal social procurement programme, the **openness of senior leadership** and the **proactive efforts of the procurement team generated strong momentum**. Buy-in was built through. This approach secured executive endorsement and long-term commitment to expand the initiative, **embedding social impact into Zurich's broader procurement and sustainability goals**.

What was the outcome and how did you measure impact?

The pilot clearly demonstrated that working with social enterprises effectively advanced Zurich's strategic procurement goals while maintaining its high operational standards. The collaboration helped the social enterprise expand its social programmes, including initiatives such as education, health, and financial inclusion. Additionally, the training provided for the procurement team proved that the relationship extended beyond simple transactions, establishing a foundation for deep, long-lasting engagement.

Impact was measured using clear indicators such as employee engagement and specific social value metrics, ensuring the initiative's outcome was tangible and transparent:

- ✓ *Gradual increase of spend*
- ✓ *Access to a catalogue of over 100 000 products*
- ✓ *239 procurement staff members completed entrepreneur-focused ideation training*
- ✓ *Community social programmes produced meaningful benefits to young people, women and girls in low-cost countries.*



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What was the cost or investment required, and what have been the expected (or unexpected) business trade-offs or benefits?

This case demonstrates that embedding social value into procurement **did not require any investments** or a reduction in quality, cost or service standards. Instead, we leveraged our existing internal budget through development plans and allocated working hours. Success primarily relied on **creativity, strategic thinking, and a willingness to embrace new approaches**. Unexpected challenges, such as the need to replace a failing supplier, created opportunities to pursue innovative partnerships. The result was a solution that delivered commercial performance along with measurable social value, **demonstrating that business objectives and social impact can be achieved simultaneously through smart procurement decisions**.

What were the key success factors?

Internal communication was crucial for building executive support and buy-in across the organisation. Sourcing from a social enterprise **created a compelling, values-driven story that resonated with stakeholders and reinforced Zurich's corporate purpose**. Highlighting the supplier's community programmes and sharing tangible success stories helped connect the

partnership to real-world positive outcomes. **The direct connection between procurement strategy and social impact secured leadership endorsement and long-term commitment**.

What was the "ugly truth" you encountered & what would you do differently next time?

At the time, the initial lack of a formal social procurement strategy brought uncertainty regarding costs and service quality. Support for the social supplier during onboarding and early ramp-up proved vital to overcoming these challenges. This experience showed that, with appropriate guidance and conditions, social suppliers can match or outperform established incumbents. In future projects, **introducing a structured onboarding process and clearly communicating expectations from the start will help accelerate impact progress**.

How would you recommend those with fewer resources approach this?

Start by piloting social procurement in a strategically selected, **low-risk category** where results can be closely tracked and early success demonstrated. Define clear and measurable objectives for both commercial and social value, such as boosting supplier diversity, improving community impact, or advancing workforce development. Use **business advocacy networks**, such as SEUK or TELOS, procurement groups, and

social enterprise directories to identify credible, high-impact partners. Build relationships through supplier outreach events, roundtables, and information sessions to assess alignment and mutual capabilities. Regularly communicate progress, sharing outcomes and success stories across the organization to build buy-in and show tangible value. **Early wins are key: use them to gain executive support and gradually scale the initiative as organizational capacity and confidence grow**.

For whom would you recommend this initiative?

This initiative is ideal for organisations seeking to align commercial goals with meaningful social impact. It offers a model for balancing commercial performance and purpose, while reinforcing corporate values and cultivating a culture of responsibility and sustainability throughout the organization. Leaders in procurement, supply chain, and sustainability, as well as executives committed to ESG and workforce development, can benefit from adopting this approach to drive positive change and deliver measurable outcomes.

This case study was brought to you by:



In collaboration with
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SPP Supplier Diversity Chapter