



YEAR 4 IMPACT REPORT



YEAR 4

£91,545,356

SPENT TO DATE WITH
SOCIAL ENTERPRISES
(YEARS 1-4)

1,253 JOBS

DIRECTLY OR INDIRECTLY
CREATED AT SOCIAL
ENTERPRISES IN
YEARS 1-4

£26,344,535

YEAR 4 SAW THE HIGHEST LEVEL
OF ANNUAL SOCIAL ENTERPRISE
SPEND YET

£9.3 MILLION

TOTAL PROFIT REINVESTED INTO
SOCIAL MISSIONS FOR
YEARS 1-4

24 HIGH PROFILE
COMPANIES

BUYING FROM SOCIAL
ENTERPRISES

380 SOCIAL ENTERPRISE
SUPPLIERS

WORKING WITH CORPORATE
BUYERS

EXECUTIVE SUMMARY

At the time of writing, we are attempting to come to terms with the devastating impact of a global pandemic which has touched almost every aspect of our lives. It is clear that the post COVID-19 world will be very different from the world we knew until very recently, and that is as true of business as much as it is of any other section of society.

The recovery from this crisis is an opportunity to build back better, and business leaders are looking at how they can play their part in creating a fairer and more sustainable economy.

Supply chains play a huge role in the impact that large companies have on society, prompting many to look carefully at what kinds of businesses they build supply chain partnerships with.

The good news is that there is a well-established business model which puts people and planet on an equal footing with profits, and an increasing number of these businesses are successfully working as suppliers within the corporate market.

SOCIAL ENTERPRISE

Social enterprises are businesses with a social or environmental mission. Like traditional businesses they aim to make a profit, but it's what they do with their profits that sets them apart, reinvesting them so that society benefits.

They do this through a variety of means, such as – employing individuals with barriers to the job market, diverting waste resources away from landfill, making key services affordable for disadvantaged groups, providing a fair income to farmers in producer countries, supporting businesses to become carbon-neutral, donating essential items to vulnerable groups, or by reinvesting profits to contribute to Sustainable Development Goals. Social Enterprises can be found in almost every sector, from consumer goods to healthcare, community energy to creative agencies, restaurants to facilities management.

A significant number of social enterprises operate in the business-to-business (B2B) market. This means that every time a business trades with another business, there is the potential to build societal benefit into that trading relationship.



THERE ARE OVER 100,000 SOCIAL ENTERPRISES IN THE UK

CONTRIBUTING £60 BILLION TO THE ECONOMY AND EMPLOYING APPROXIMATELY 5% OF THE TOTAL WORKFORCE

WHAT IS THE BUY SOCIAL CORPORATE CHALLENGE?

The Buy Social Corporate Challenge is a simple initiative with a bold ambition:

A GROUP OF HIGH-PROFILE BUSINESSES IS AIMING TO COLLECTIVELY SPEND £1 BILLION WITH SOCIAL ENTERPRISES THROUGH THEIR PROCUREMENT.

The Buy Social Corporate Challenge allows large businesses to develop a more strategic corporate social responsibility, aligned to their core operations. It gives companies the ability to positively transform lives using existing business spend.

Led by Social Enterprise UK in partnership with the Department for Digital, Culture, Media & Sport, the initiative was launched in Downing Street in April 2016. A package of support was created to help businesses understand their existing spend with social enterprises and maximise the opportunity to increase it.

TOTAL VALUE OF BUY SOCIAL CORPORATE CHALLENGE TRADE TO DATE

In the first four years of the Buy Social Corporate Challenge, a total of £91,545,356 has been spent by our corporate partners with social enterprise suppliers. Year four saw the highest level of annual social enterprise spend yet: £26,344,535.

BUY SOCIAL CORPORATE CHALLENGE PARTNERS

For the programme launch in April 2016, we had 7 Founding Partners. As we end year four, we now have 24 corporate partners signed up to the Corporate Challenge, representing almost every sector of the economy:

Amey, AstraZeneca, Barclays, BP, CBRE, Deloitte, ENGIE, Foodbuy, ISG, Johnson & Johnson, Landmarc Support Services, Lendlease, Linklaters, LV=, Mitie, Motorola Solutions, Nationwide Building Society, PwC, Robertson Group, SAP, Siemens, Wates Group, Willmott Dixon, Zurich



£91,545,356
SPENT TO DATE WITH
SOCIAL ENTERPRISES

£26,344,535
YEAR FOUR SAW THE HIGHEST LEVEL OF
ANNUAL SOCIAL ENTERPRISE SPEND YET

SOCIAL PROCUREMENT: THE BUSINESS CASE FOR CORPORATE PARTNERS

Wherever corporate buyers source goods and services from social enterprises, we refer to this activity as 'social procurement.'

THE NUMBER ONE BENEFIT OF SOCIAL PROCUREMENT REPORTED BY BUY SOCIAL CORPORATE CHALLENGE PARTNERS IN YEAR FOUR IS INCREASED **SUPPLIER DIVERSITY**.

This a key priority for many businesses as they work towards having a supplier base which reflects the diversity of their consumers, clients and communities.

Other benefits which were highlighted this year by a significant number of corporate partners include:

- Improved environmental sustainability in the supplier base
- Enhanced engagement within the procurement team
- External recognition
- Brought innovation into the supplier base

We are delighted that Buy Social Corporate Challenge partners continue to report a strong performance on cost and quality from their social enterprise suppliers.

78%

of corporate partners report that social enterprises are cost neutral or cheaper compared with other suppliers

100%

of corporate partners report that social enterprises deliver comparable or higher quality compared with other suppliers

SOCIAL ENTERPRISE SUPPLIERS

The B2B social enterprise supplier base is growing year-on-year. In year four we estimate that 380 social enterprises supplied products/services to Buy Social Corporate Challenge partners: an increase of 35% from the previous year. We are also seeing a much broader range of products/services compared with previous years: 112 spend categories in year four, an increase of 34% from year three.

SOCIAL PROCUREMENT: THE BUSINESS CASE FOR SOCIAL ENTERPRISE SUPPLIERS

For B2B social enterprises, corporate supply chains offer significant opportunities for growth. Our survey shows that social enterprises continue to reinvest significant levels of profit into their social missions as a result of Buy Social Corporate Challenge revenue. The vast majority of Buy Social Corporate Challenge social enterprises reported that they were expecting their business to grow (surveyed prior to the onset of the COVID-19 crisis).

The creation of employment opportunities was reported to be the most common societal benefit from these social procurement partnerships, and they have led to 1,253 jobs being directly or indirectly created at social enterprises over the four years.

380

social enterprises currently delivering to the corporate partners

**TOTAL PROFIT REINVESTED
INTO SOCIAL MISSIONS
FOR YEARS 1-4 NOW
STANDS AT **£9.3 MILLION****

**96% OF BUY SOCIAL
CORPORATE CHALLENGE
SOCIAL ENTERPRISES
EXPECT THEIR TURNOVER
TO GROW IN THE
NEXT YEAR**

**1,253 JOBS DIRECTLY OR
INDIRECTLY CREATED AT
SOCIAL ENTERPRISES
IN YEARS 1-4**

THIS REPORT

We have designed this report so that each section may be read as a separate, standalone document or as part of the overall report. In addition to this Executive Summary, the full report includes the following:

- **The Marketplace: Corporate Buyers**
- **What Works: Corporate Buyers**
- **The Marketplace: Social Enterprise Suppliers**
- **What Works: Social Enterprise Suppliers**
- **The Future**

The Marketplace sections present key data and findings from the perspective of the corporate buyer and the social enterprise supplier, as well as the business case on both sides for getting involved in social procurement.

We have also drawn on our four years experience and insight from running the Buy Social Corporate Challenge to present What Works sections for both the corporate buyers and the social enterprise suppliers.

This highlights some of the key lessons learned in terms of what works and, crucially, what doesn't work when it comes to social procurement.

We would like to thank all of our corporate partners, particularly their procurement teams, for their dedication, enthusiasm and determination to change the way businesses spend money.

We would also like to thank all of the social enterprises that are delivering transformational impact alongside their core products and services.

We believe that social enterprise is the future of business and that social procurement is the future of procurement.

This is especially important as we work together to build our post COVID-19 economy and society. We invite you to work with us to make sure that when businesses profit, society profits.

A NOTE ON METHODOLOGY

This is our fourth annual Buy Social Corporate Challenge impact report, summarising the progress we have made in this past year (April 2019 – March 2020) as well as the overall impact achieved to date across the lifetime of the programme.

The Social Enterprise UK team carried out survey fieldwork in the first two months of 2020. We surveyed all of the Buy Social Corporate Challenge partners participating in the programme at the time and carried out a separate survey with a sample set of the social enterprises which were suppliers to those partners.

ABOUT SEUK

We are the national body for social enterprise businesses with a social or environmental mission

Our members come from across the social enterprise movement – including a wide range of local grassroots organisations, multi-million pound businesses, charities and public sector organisations who support our vision of a world where social enterprise is the usual way of doing business.

To find out more about becoming a member of Social Enterprise UK, visit:

<https://www.socialenterprise.org.uk/about-membership/>

BUY SOCIAL CORPORATE CHALLENGE

The Buy Social Corporate Challenge is led by Social Enterprise UK with the support of the Inclusive Economy Unit (Department for Digital, Culture, Media and Sport).

To find out more about the Buy Social Corporate Challenge, visit:

<https://www.socialenterprise.org.uk/corporate-challenge/>

THIS REPORT

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**Social
Enterprise UK**



**Department for
Digital, Culture,
Media & Sport**