

Developing ESG category-specific questionnaires for tendering



Is your case study linked to an ‘ugly truth’ or a ‘key success factor’?

It relates to a key factor for success: It is about making sure that sustainability is a core part of Allianz’s procurement processes and that the suppliers which we award are committed to environmentally and socially responsible practices - just like we in Allianz are.

What does the case study help tackle?

This case study showcases how we at Allianz ensure that sustainability is rooted in our purpose: Working in global procurement, we are pushing for full integration of sustainability topics into our procurement processes. We have developed “ESG questionnaires” for each of our global procurement categories (e.g., marketing, travel & fleet, IT hardware, etc.) to include sustainability criteria into the decision-making process for supplier awarding. By integrating these criteria, we aim to enable the monitoring of supplier sustainability risks and performance and to ensure transparency in collecting sustainability data to meet regulatory requirements. In addition, with this initiative we want to raise awareness among our procurement teams and buyers, so that people who are not yet familiar with the topic of sustainability (in procurement) become familiar with it and may even become ambassadors. Finally, by assessing our potential suppliers we facilitate supplier steering and scope 3 emission tracking and reduction intentions.

What was the outcome and how did you measure it?

The project has only been launched recently this year (2024). The feedback from stakeholders is generally positive, which indicates an increased awareness and engagement regarding sustainability topics.

To measure the impact, we are tracking KPIs such as the correlation between higher ESG questionnaire score and the likelihood of being awarded, and the percentage of suppliers that improved their score over time.

Who was involved (departments/roles)? How did you justify it to the business?

The implementation is led by the “Sustainability in Procurement” team together with “Group Sustainable Operations” as well as the Group Procurement leadership. To develop the questionnaires, we were closely collaborating with our global procurement category leads and buyers to tailor the respective questionnaires to the specific category requirements.

What are your watch-outs for others attempting this?

First, for us it was very important to understand the different global procurement categories and their individual requirements in terms of products, services, types of providers, regions, etc. Further, it was crucial to be able to pinpoint what are the key sustainability topics for each category and subcategory to make the questions and criteria as relevant as possible to each one. Overall, a key element for success for us was to get procurement senior level buy-in, to help drive the implementation and to provide support to the buyers whenever necessary in their discussions with suppliers.

How would you do it differently?

It's still a new project: we are collecting feedback as of course there is always room for improvement, but our key focus now is to prioritize providing extensive support to our procurement teams to ensure a clear understanding of expectations and an efficient implementation.

What were the key success factors?

At Allianz, sustainability plays a major role and is therefore integrated into our overarching values. There is strong support from management to embed sustainability into every business operation and decision, and this project has been supported by top management. In fact, it's great to see that stakeholders are embracing the ESG approach we in Allianz Procurement are taking. Still, the alignment of the project with the organization's broader sustainability goals will always be beneficial: The exchange with other areas demonstrates the potential advantages of enhancing ESG practices, not only for procurement but also to other functions that are possibly not that mature in sustainability.

How would you recommend those with less resources attempt this?

Our recommendation would be to focus on leveraging internal expertise and collaborating with cross-functional teams. It's also crucial here to understand precisely what each procurement team needs, and to make questionnaires that are easily understood and filled-in so that they don't become a burden. For this, efficient communication to raise awareness and build capabilities is essential.

Who were the main drivers (the people that were boots on the ground), and the main leadership sponsor?

The main drivers were the Allianz “Sustainability in Procurement” team together with “Group Sustainable Operations”. Both have been driving the project, developing questionnaires and engaging with diverse procurement teams to ensure the tailored nature of the questionnaires. The main leadership sponsors were the CPO with the endorsement of the Allianz top management.



Gisela Artola Pascual
Sustainability in Procurement Lead
Allianz

