Social Impact Assessment Program
Overview and Introduction for Manufacturers
IETP Social Impact Assessment is a new tool to measure and improve the management systems in place for workers’ rights and workplace conditions.
What is the Social Impact Assessment?

The assessment is designed to look at a manufacturing site’s social impact by measuring the effectiveness of management systems in place for labor standards. Social impact covers the effect an organization has on people and communities as a result of its actions, activities, projects, programs or policies.

We believe that ethical businesses should have a positive impact on their workers and other people affected by their operations. The assessment is based on an ethos of ‘you can’t improve what you don’t measure’ – to improve social impact the first step for a company is to measure what it is doing now. From there it can map a path to improvement.

The assessment allows us to determine the capacity of a manufacturing site to effectively manage labor, environmental, and health and safety compliance in their facility.

The assessment is not an audit; it is a capacity building exercise which is designed to help the organizations completing it by providing them with advice, coaching and a tailored improvement plan based on the findings.

What is the Social Impact Assessment Process?

1. Registration form completed and payment made
2. Self-assessment completed by manufacturing site and submitted to IETP along with supporting documents
3. IETP evaluation conducted over the phone with manufacturing site and IETP
4. Verified score confirmed, and an improvement plan issued by IETP with priority areas identified

Who is the assessment designed for?

The assessment can be undertaken by any manufacturing site. It is a remote assessment, delivered by IETP expert staff. It can be used to provide independent, trusted verification of the facility’s capability to implement effective management systems that appropriately manage labor standards or as a development program to
provide understanding of the areas which need further support and capability building.

The Social Impact Assessment Program is suitable for manufacturing facilities with a lower risk profile, for companies who want greater supply chain visibility beyond tier 1 suppliers and as a development and education program for suppliers who may never had participated in any form of labor standards program before.

**How does the Social Impact Assessment relate to ICTI Ethical Toy Program certification?**

The IETP Social Impact Assessment Program complements IETP Certification. Social Impact Assessment focuses on management systems and breaks it into component processes. It allows companies to take targeted steps towards improvement. It creates a pathway to improvement and breaks the journey into smaller steps. Taking the Social Impact Assessment can be a steppingstone to full IETP Certification as it identifies issue areas and gaps which would need to be addressed in order to achieve Certification. It is not mandatory for any facility to continue on to become IETP Certified. This is a choice.

**How is the Social Impact Assessment different to ICTI Ethical Toy Program certification?**

IETP Certification involves on-site unannounced audits, compliance verification and a requirement that all issues must be addressed before a manufacturing site becomes Certified. The Social Impact Assessment takes a different approach, the manufacturing site starts with a self-assessment to be completed in their own time followed by a scheduled independent evaluation with a member of the IETP team conducted remotely. The focus is on the management systems – policies, procedures and processes – the manufacturing site has in place regarding labor standards. At the end of the process a verified score will be awarded which reflects the maturity of the manufacturing site’s systems with no minimum standard required.
IETP Certification | Social Impact Assessment
---|---
**How is assessment conducted?** | Unannounced on-site audit | Self-assessment to take in your own time followed by prescheduled remote evaluation
**What does assessment cover?** | Covers full IETP audit scope | Focus on management systems
**What is required from factories?** | All issues must be addressed to become certified | Score given with no minimum standard required
**How long does it last?** | Valid for 12 months with Progress Visit after 2-4 months to review progress and offer support | The Verified Score does not have a specific valid until date. We encourage facilities to repeat the process every 12-18 months

**What areas does the Social Impact Assessment cover?**
The assessment is broken down into ten areas:

<table>
<thead>
<tr>
<th>Policies, Procedures &amp; Records</th>
<th>Social Performance Team</th>
<th>Identification &amp; Assessment of Risks</th>
<th>Monitoring</th>
<th>Internal Involvement &amp; Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Policies, Procedures &amp; Records" /></td>
<td><img src="image2.png" alt="Social Performance Team" /></td>
<td><img src="image3.png" alt="Identification &amp; Assessment of Risks" /></td>
<td><img src="image4.png" alt="Monitoring" /></td>
<td><img src="image5.png" alt="Internal Involvement &amp; Communication" /></td>
</tr>
</tbody>
</table>

1. **Policies, Procedures, and Records** – what the organization has documented regarding labor standards
2. **Social Performance Team** – the people within the organization responsible for implementing labor standards on a day-to-day basis
3. **Identification & Assessment of Risks** – how the organization conducts labor standards risk assessments
4. **Monitoring** – how the organization monitors its labor practices on an ongoing basis
5. **Internal Involvement and Communication** – how well the organization communicates to its internal stakeholders in regard to labor standards

6. **Complaint Management and Resolution** – how workers come forward with grievances if they arise and how they are resolved

7. **External Verification and Stakeholder Engagement** – how does the organization interact with external stakeholder groups

8. **Corrective and Preventative Actions** – what does the organization do when they find a problem

9. **Training and Capacity Building** – how the organization ensures workers know how to do their job safely and in line with legal and company policies and procedures

10. **Management of Suppliers and Contractors** – how the organization ensures their suppliers uphold their labor standards requirements

For each of the 10 areas there are a series of questions designed to assess the effectiveness of the management systems in place to give an overall score for the maturity of the systems relating to labor standards.

**How is the assessment scored?**

Each of the 10 categories are rated on a scale of 1 to 5 with 5 being the highest. The overall average score reflects the maturity of management system.

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Developed and implemented <strong>mature management system</strong> with <strong>continual improvement</strong> of the system</td>
</tr>
<tr>
<td>4</td>
<td>Developed management system, implemented <strong>consistently and regularly</strong></td>
</tr>
<tr>
<td>3</td>
<td>Developed management system, but <strong>not fully implemented</strong></td>
</tr>
<tr>
<td>2</td>
<td>Partially developed management system, but implementation is <strong>reactive, inconsistent</strong> and mostly <strong>ineffective</strong></td>
</tr>
<tr>
<td>1</td>
<td><strong>No awareness of labour issues</strong> or any system in place to manage social performance</td>
</tr>
</tbody>
</table>
How does the Social Impact Assessment help companies and supply chains improve?

The Social Impact Assessment Program allows companies to identify where they are now and defines a clear path to improvement if needed.

Companies can use the Social Impact Assessment Program in many different ways. It can be used to create a baseline rating, as well as help identify specific areas for improvement. The training and tools can be used to improve performance in any of the 10 categories.

Companies can communicate that they have undergone the assessment process. Demonstrating to stakeholders, internally and externally, their commitment to enabling and respecting workers’ rights in their manufacturing facilities and where needed, that they take action to remedy any issues and respond to development opportunities.

Who should complete the self-assessment and participate in the evaluation call?

For the most useful results it is advised the person who is most responsible for labor standards in the organization should complete the self-assessment and participate in the remote evaluation call with IETP.