

**Social Responsibility  
Best Practices**

<b>SUBJECT</b> Social Responsibility Metrics And Tracking Of Vendors/Factories/Suppliers		<b>LAST UPDATE</b> July 2019
<b>APPLIES TO</b> • Suppliers • Distributors	<b>FOCUS ON</b> Measuring The Impact Of Social Responsibility Within An Organization	
<b>QUICK LINKS</b> • PPAI Social Responsibility: <a href="https://www.ppai.org/corporate-responsibility/social-responsibility/">https://www.ppai.org/corporate-responsibility/social-responsibility/</a> • UL Responsible Sourcing: <a href="https://industries.ul.com/responsible-sourcing">industries.ul.com/responsible-sourcing</a> • Fair Labor Association: <a href="http://www.fairlabor.org/">www.fairlabor.org/</a>		<b>Intended for advanced compliance programs</b>

*Italic grey text indicates a hyperlink listed in the Online Resources section of this document.*

**Overview**

Due to the number of resources invested in social responsibility programs, metrics will enable the overarching goals of the organization to be prioritized and measured by the individual stakeholders within the organization and rolled up to the organization’s progress as a whole.

**The Metrics**

The model used to measure social responsibility should be based on the organization’s code of conduct and audit criteria, financial impact, service improvements and implementation goals. The data obtained from effective metrics enable analysis and benchmarking across all stakeholder categories.

**Tracking**

Figure 1 is an example of an effective way to demonstrate the number and percentage of audits conducted as compared to the total suppliers by tier, year over year. Tiers are typically determined by spend, strategic value and relationship (see PPAI social responsibility monitoring best practices).

Figure 1

AUDITS CONDUCTED			
CRITERIA	Tier 1 Vendors	Tier 2 Vendors	Tier 3 Vendors
	2019	2018	2017
Total number of vendors			
Total spend with vendors			
Total number of audits performed			
% of total number of vendors			
% of total spend			

*Adapted from Social Accountability International (SAI) Supply Chain CSR Report*

Figure 2, on the next page, is an example of a useful tool for tracking progress violations and corrective action improvements

on a year-over-year basis. Tiers are typically determined by spend, strategic value and relationship (see PPAI social responsibility monitoring best practices).

Figure 3, on the next page, is an example of a useful tool for tracking business predicated on social responsibility requirements. The breakdown looks at total customers and legitimate prospects year over year and compares those with programs to those without in order to identify potential growth opportunities. Tiers are typically determined by sales and strategic relationship.

**Summary**

There are myriad metrics that can be deployed and used with internal scorecards. The goal is to be specific and measurable. Well-developed metrics clearly define and communicate expectations and what constitutes acceptable or unacceptable performance.

**Online Resources:**

**PPAI Corporate Responsibility:** <https://www.ppai.org/corporate-responsibility/>

**PPAI Product Responsibility Frequently Asked Questions:** <https://www.ppai.org/corporate-responsibility/product-responsibility/product-responsibility-faqs/>

**PPAI Business Partner QIMA:** <https://www.ppai.org/members/affinity-partners/#8ed9d94d-cb76-488a-9919-c94f8345d123>

**United Nations Global Compact:** [www.unglobalcompact.org/](http://www.unglobalcompact.org/)

**International Labour Organization (ILO):** [www.ilo.org/global/lang--en/index.htm](http://www.ilo.org/global/lang-en/index.htm)

**International Organization for Standardization (ISO) 26000:** [www.iso.org/iso/home/standards/iso26000.htm](http://www.iso.org/iso/home/standards/iso26000.htm)

**Social Accountability International (SAI) SA8000:** [www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937](http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937)

Figure 2

VIOLATIONS FOUND AND CORRECTED												
CRITERIA	Tier 1 Vendors				Tier 2 Vendors				Tier 3 Vendors			
	# 2015	# 2018	% 2019	% 2018	# 2019	# 2018	% 2019	% 2018	# 2019	# 2018	% 2019	% 2018
Abuse of labor												
Child labor												
Freedom of association												
No discrimination												
Hours and wages												
Workplace conditions												
Environment												
Subcontractors and sources												
Product safety												

Adapted from Social Accountability International (SAI) Supply Chain CSR Report

Figure 3

SOCIAL RESPONSIBILITY ROI												
CUSTOMERS	Tier 1 Customers				Tier 2 Customers				Tier 3 Customers			
	# 2020	# 2019	% 2020	% 2019	# 2020	# 2019	% 2020	% 2019	# 2020	# 2019	% 2020	% 2019
Total customers												
Have social responsibility requirements												
No social responsibility requirements												
Have COC requirements for vendors												
No COC requirements for vendors												
Increased sales with current vendors												
Sales year-to-date												
PROSPECTS	Tier 1 Prospects				Tier 2 Prospects				Tier 3 Prospects			
	# 2020	# 2019	% 2020	% 2019	# 2020	# 2019	% 2020	% 2019	# 2020	# 2019	% 2020	% 2019
Potential "real" prospects												
Have social responsibility requirements												
No social responsibility requirements												
Have COC requirements for vendors												
No COC requirements for vendors												
New opportunities												
POTENTIAL												

Adapted from Social Accountability International (SAI) Supply Chain CSR Report