

Ground-breaking Product Social Impact Assessment Method



There is growing societal recognition that companies are accountable for their entire supply chain, downstream and upstream. As a result, the need to investigate and give visibility to all potential and actual social impacts throughout the product life cycle has become an increasingly important value driver for companies in relation to sustainability. One of the challenges is to make product social impacts visible and measurable throughout the value chain. The Roundtable for Product Social Metrics, a multi-industry group of market-leading companies, has taken up this challenge to develop and test a pragmatic methodology that assesses the social impact of products.

Increasing transparency on product social impacts

The Product Social Impact Assessment method allows companies to measure and analyse positive and negative social impacts and to identify risks, improvement opportunities and points of excellence. The assessment shows where potential social hotspots may occur and how significant they are.

Show social Impact throughout a Product's Life Cycle

The majority of the social impacts occur outside the operational boundaries of an organisation (impaired by the trend towards outsourcing). Sound decision-making on this topic therefore needs to take the entire life cycle into account, from extraction of raw material, through manufacturing and use phase to end of life.

Making positive and negative impacts visible

Products, including both their manufacture and use, can also contribute positively to social welfare. The Roundtable aims to make those positive impacts visible and quantitative. Indicators

such as the well-being experienced and job satisfaction have been selected to enable companies to demonstrate how their products create positive impact. Social impact transparency also has tangible benefits for marketing – it gives businesses input for product development, improvement in the social performance of the product, differentiation, brand image and corporate reputation management.

Supported by leading companies and organizations

The Roundtable partners – industry leaders, AkzoNobel, BASF, BMW Group, DSM, Goodyear, L'Oréal, Mahindra, Philips, Steelcase, and Vattenfall and led by sustainability consulting firm PRé Sustainability – all have high ambitions for the assessment of social impacts for products.

The development of this method is an important step towards establishing common language for companies to measure the social impact of products. The methodology proposed in the Handbook for Product Social Impact Assessment is based on international standards and consultation with researchers, industry hubs, development organisations and NGOs.

The Roundtable's vision is for the handbook and methodology to be widely shared and openly used. For example, The Chemical Sector Working group of the World Business Council for Sustainable Development is using the Handbook as one of the starting points to specify guidance for Product Social Metrics within the chemical sector. The Handbook and tools for application of the methodology can be downloaded at: www.product-social-impact-assessment.com/handbook.

