

**Social & Environmental
Impact Assessment**

INSIGHTS REPORT

Published in 2026





Contents

Introduction 2

How We Measure 3

Social Impact Assessment Insights 4

Environmental Impact Assessment Insights 5

Combined Assessment Insights 6

Spotlight on SMEs and Micro Enterprises 7

**Management Gaps and
Supply Chain Oversight** 8



Introduction

This insights report shares and analyzes data captured within the Ethical Supply Chain Program (ESCP) connect:assess analytics platform. It details the performance and trends observed through the Social Impact Assessment (SIA) and Environmental Impact Assessment (EA). The reporting periods analyzed span from April 2020 to January 2026 for the SIA and from May 2022 to January 2026 for the EA.



The ESCP Social Impact Assessment (SIA) is a remote, system-based assessment that evaluates how factories and vendors uphold labor standards and related social compliance practices. It is designed as a practical and proportionate alternative to full Certification, particularly for smaller factories or for facilities where full Certification is not appropriate.

An optional Environmental module is also available, allowing factories and vendors to assess how environmental responsibilities are managed alongside social practices within the ESCP framework.

The assessments provide a low-cost, scalable, and quick-to-complete process which enables faster supplier onboarding and approval, alongside rapid buyer oversight and clear evidence of due-diligence in the supply chain. It also removes duplication by enabling assessed companies to share their reports with customers to evidence their performance. For those requiring a more entry-level solution, an unverified option is also available at an even lower cost.

Designed as a practical capacity-building tool, the program has assessed 434 commercial entities across 37 countries, including 194 direct manufacturers, 108 vendors and agents, and 132 brands. To date, the ESCP team has completed 516 assessments. Of these, 363 were SIA-only assessments, while 153 utilized the combined SIA and EA modules. This extensive reach demonstrates the program's adaptability as an assessment solution for diverse supply chains.

37 Countries Covered



194

Manufacturers

108

Vendors

132

Brands

Why Choose SEIA?



Scalable & Low-Cost:
For all business sizes

Fast Onboarding:
Faster process and approval

Due Diligence:
Evidence-based oversight

Shared Reports:
No more duplication

Flexible Options:
Lower-cost unverified option

Industries Including:





How We Measure

The assessment is not an audit and does not involve an on-site visit. Instead, it focuses on understanding the management systems, policies, procedures, and how these are applied in practice.

How the assessment works

The assessment follows a structured but flexible process:



Tools, training and support provided with the process managed by the ESCP team

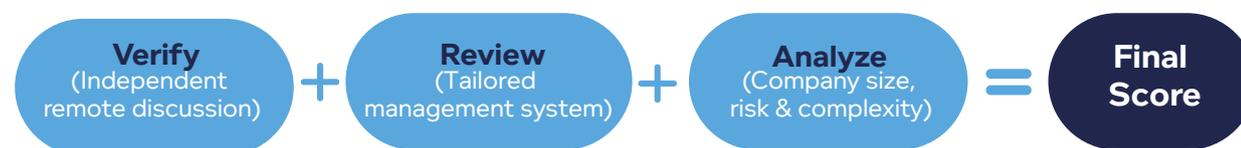
6 Training Videos



The SIA assessment covers the following categories of supplier social performance:



The self-assessment questions are intentionally broad to ensure they remain relevant to both small and large-scale operations. However, the final evaluation is far from generic; the resulting score and conclusions are grounded in a multifaceted analysis:



Driven by a commitment to outcome-oriented growth and continuous improvement, the SIA does not impose a "pass" or "fail" threshold. Instead, it utilizes a recognized scoring chart to measure the maturity of management systems, ensuring consistency and credibility across diverse supplier types.

Upon completion, companies receive a customized report featuring benchmark scores and a practical, prioritized Improvement Plan. This mechanism identifies systemic gaps and provides actionable guidance, supported by a suite of six exclusive training videos designed to bridge the gap between assessment and capacity building.



Improvement Insights

Social Impact Assessment

Across the reporting period from April 2020 to January 2026, the global average score for Social Impact Assessment (SIA) rose steadily from 49.3 to 63.9. This sustained upward trajectory provides a quantifiable measure of the progressive maturation of social management systems across the global supply chain.

This trend is further evidenced by supplier reassessment performance over this nearly six-year period, where 96% of reassessed suppliers recorded overall score improvements in follow-up evaluations. More specifically, the SIA module achieved a 100% improvement rate upon reassessment, representing a significant milestone highlighted by a peak individual relative increase of 161.54%.

This progress reflects steady improvements in social compliance and stronger internal governance for labor and workplace management. It also points to a higher performance baseline and closer alignment with global social responsibility standards.

Average SIA Score Improvement:
April 2020 - January 2026
+14.6

Highest Individual SIA Improvement:
161.54%

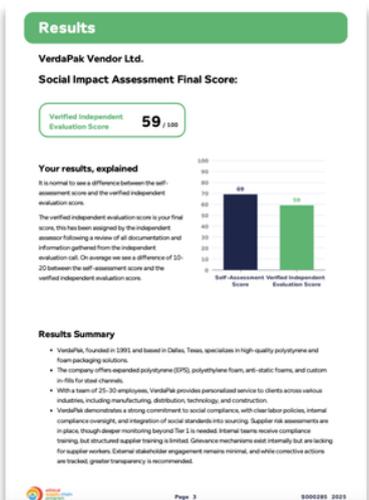
100%
of Companies Improved SIA Scores



Data monitoring period: April 2020 to January 2026

What Does an SIA Report Look Like?

Including:
Assessment Results
Improvement Steps
Benchmarking





Improvement Insights

Environmental Impact Assessment

Building upon the ongoing enhancement of social compliance frameworks, the program officially introduced the Environmental Impact Assessment (EA) module in May 2022, establishing a broader and more comprehensive lens for the overall evaluation framework.

Between its implementation in 2022 and January 2026, the average EA score rose from a baseline of 62.0 to 64.5. This upward trajectory is supported by a 90% improvement rate among participating entities, with the highest individual relative increase reaching 340%.

These results reflect a transition toward more formalized environmental governance. As facilities solidify their social compliance, they are concurrently maturing their environmental processes, ensuring both disciplines are integrated into a cohesive management framework.

Highest Individual EA Improvement:
340%

90%
of Companies
Improved EA Scores

What does the EA Assessment cover?

The Assessment covers 12 key environmental areas including GHG's, Water & Energy Usage, Volatile Organic Compounds (VOC) and Hazardous & Non-Hazardous Waste levels.



Data monitoring period: May 2022 to January 2026



Improvement Insights

Combined Assessment

The assessment evaluates a company's social and environmental performance against a defined set of labor standards and environmental compliance indicators, with improvement in both areas recognized as a progressive process driven by sustained corporate engagement and capacity building.

From a holistic perspective, the integrated performance across social and environmental metrics saw the global average score rise from 49.3 to 63.5, representing a substantive 28.8% improvement over the reporting period.

This upward trajectory quantifies the systemic maturation of corporate management frameworks. It validates the impact of long-term stakeholder synergy in elevating compliance standards across the global supply chain.

Average Combined Score Improvement:
April 2020 - January 2026
+14.2

Highest Individual Combined Improvement:
340%

98.6%
of Companies Improved Combined Scores

Combined Assessment

The Assessment is designed to review the combined social and environmental performance of suppliers but can be used separately to focus on social or environmental only.

-  Remote online assessments help reduce audit burden, scalable and low cost
-  Globally available, non-category specific assessments, applicable to any supplier



Data monitoring period: April 2020 to January 2026



Spotlight on SMEs and Micro Enterprises

From 2021 to date, our records show that the SIA self-assessed scores, particularly among reassessed small and medium-sized enterprises (SMEs), frequently deviated from final verified scores. However, data from 2024 onwards indicates that this variance has narrowed considerably.

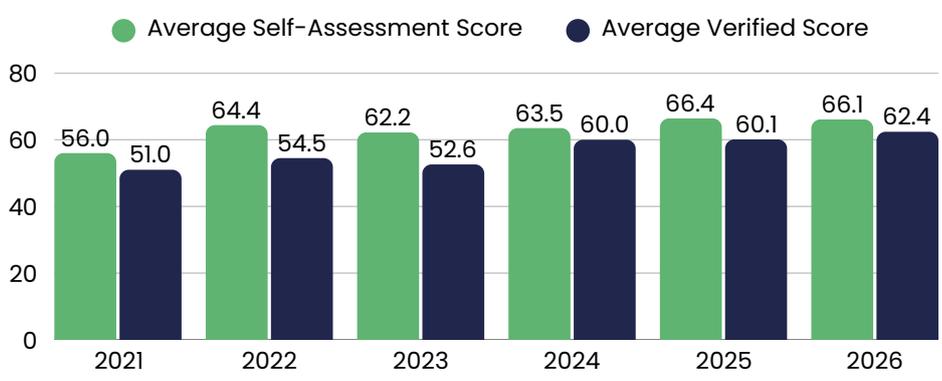
What does this shift signify?

The convergence of these data points represents a milestone in management maturity. It indicates that social compliance systems are becoming more robust across all facility sizes, from micro-enterprises with fewer than 10 employees to large-scale factories. By moving toward more realistic self-evaluations, companies have developed the heightened self-awareness necessary to support deeper ESG improvements and long-term sustainability.

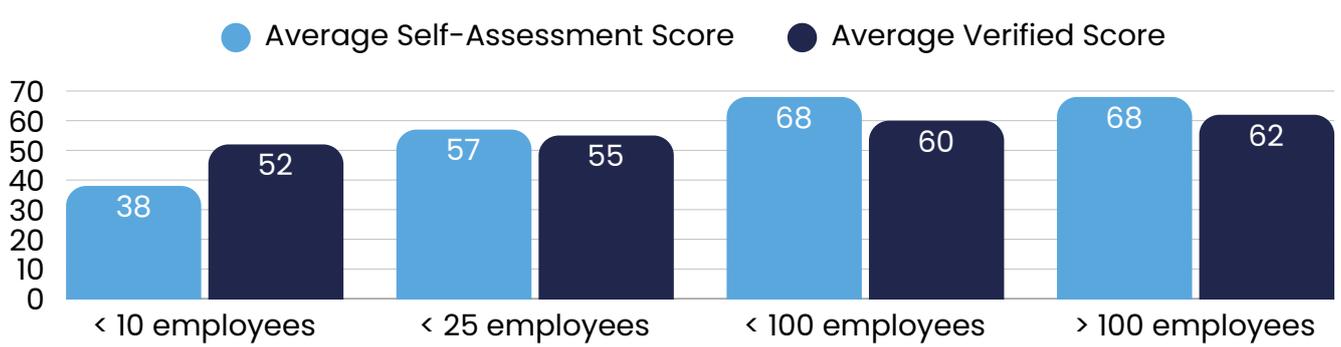
82%
of our assessed companies are Small and Medium-sized Enterprises (SMEs)

“
Undergoing ESCP’s Social Impact Assessment was a great way to prove we’re ethical and sustainable, and support existing customer requirements.
— Sam Purchase
Director, ESP Colour


SIA Self-Assessed vs. Verified Scores (2021-Jan 2026)



SIA Self-Assessed vs. Verified Scores (SMEs & Micro-enterprises) April 2020 to January 2026





Management Gaps and Supply Chain Oversight

At the end of the assessment process, each facility receives a customized report featuring benchmarked scores and a Prioritized Improvement Plan.

Entity Type	Identified Challenges / Priority	Prevalence in Reports
Vendors	Training & Capacity Building	59%
	Risk Assessment & Monitoring of the Supply Chain	53%
Manufacturers	Management of Suppliers and Contractors	61%
	Identification and Assessment of Risks	42%

2020 - Jan 2026

A deep analysis of these priorities reveals recurring management blind spots across the supply chain. For Vendors, 59% of assessment reports identify challenges in Training and Capacity Building, and 53% flag issues with Risk Assessment and Monitoring of the Supply Chain. Many companies include labor standards and codes of conduct in their contracts, but significant gaps remain in how well those standards are monitored and enforced, both internally and across their supply chains.

In contrast, for Manufacturers, 61% of reports highlight priorities in Management of Suppliers and Contractors, and 42% point to Identification and Assessment of Risks. These figures highlight the ongoing complexity of subcontractor governance and the challenges of formalizing risk management systems at the site level.

Assessment data further identifies a gap in alignment with end-customer environmental expectations. Approximately 24% of sites demonstrate limited alignment, typically due to scores falling below defined maturity thresholds or missing environmental data. This indicates lower system maturity - a lack of formalized processes - rather than confirmed regulatory non-compliance.



Prioritized Improvement Plan

A tailored improvement plan identifying focal areas, supplemented by best practices and recommended actions for performance enhancement in each category.

Vendors – Common risks identified:

Training & Capacity Building  59%

Risk Assessment & Monitoring Supply Chain  53%

Manufacturers – Common risks identified:

Supplier & Contractor Management  61%

Risk Identification & Assessment  42%



Contact us

assess@ethicalsupplychain.org

Learn more

www.ethicalsupplychain.org