

Briefing Note: Radar

Methodology briefing note for Radar users

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Sedex risk assessment tool methodology briefing note

This briefing note details the methodology used to produce risk scores within Radar, the Sedex risk assessment tool. Users may also find the supplementary *Guide to risk assessment in supply chains* and *SAQ Briefing note* helpful. Both documents are available within the Sedex e-Learning platform, along with the Radar Terms and Conditions of Use.

About Radar

Radar is an online tool designed to help Sedex members globally to identify key and relative labour, human rights, governance and environmental risks across their business and supply chains. It does this by combining inherent country and industry sector risk information with the data collected from supplier sites within the Sedex platform. Sedex members can use the information available in Radar to help identify and ultimately mitigate risk by carry out further due diligence and engaging with the sites within their own business operations and supply chains that are most likely to be exposed to labour, human rights, governance and environmental risks.

Acknowledgments

Radar and its methodology was originally developed in 2020 by Sedex and [Anthesis](#), with support¹ from Ergon Associates and Dr. Alexandra Channer, and was updated in May 2023 following the release of a new Self-Assessment Questionnaire (SAQ) for 'Goods Provider' supplier sites. Anthesis continues to provide the inherent risk scores used in Radar. Sedex would also like to acknowledge the contributions of the Sedex members and AACs who contributed to our Radar and SAQ Project Advisory Groups.

¹ Disclaimer: While other organisations and individuals have supported the development process, the final outputs, methodology and functionality of Radar are the responsibility of Sedex and Anthesis.

1. Inherent risk

Inherent risk scores are provided because companies operating in higher risk industry sectors will typically need to have more robust risk management systems in place to protect workers from harm. Inherent risk scores are a combination of Country, Sector and 'High Risk Goods' scores.

Scores are produced on a scale of 0-10, where 10 is the highest risk.

1.1 Country risk

The country risk indicators are drawn from publicly available sources. They are chosen according to the following attributes:

- Coverage – they must cover the majority of the countries and include coverage for each region;
- Reliability – they must be from reliable sources;
- Comparability – the numbers for each country must be generated in a comparable way;
- Relevance – they must be relevant to the Sedex risk topics (i.e. ETI base code clauses, Business Ethics and the Environment).

Assignment

Indicators are assigned across 14 risk topics (e.g. working hours, freedom of association, wages etc.). See Appendix 1 for the list of indicators used.

Normalising

The original indicators are on a variety of scales. The indicators are therefore normalised on a 1 to 6 scale, where 6 is the highest risk. For each individual indicator the following process is followed:

- The indicator is inverted if needed so that a high score is high risk;
- The scores are re-scaled to a 1 to 6 scale, maintaining the original distribution.

Custom indicators

Where there were no suitable indicators to address a particular topic, custom indicators were produced based on data sources that met the selection criteria above. See Appendix 1 for more details.

Forced Labour Index

There were no public indicators that adequately covered the risk of forced labour in supply chains, so Sedex commissioned Ergon Associates to develop a Forced Labour Index.

The Forced Labour Index provides an assessment of forced labour risks for four broad economic sectors (agriculture, food processing, manufacturing and logistics) for each country in the overall risk assessment tool. The final assessment has two components: a country context risk score based on third party data sources and a sector-specific score based on focused desk research. See the Forced labour index methodology briefing note within Sedex e-Learning for more details.

Filling Gaps

While all indicators have good coverage, there are some indicators that do not cover all countries. Values are generated for these missing countries as follows:

- Countries are grouped geographically using the UN geographic regions
- The average (arithmetic mean) value for the country group is calculated
- The average is assigned to the countries with missing scores

Summary of topics

The inherent risk scores cover topics derived from the Sedex / SMETA clauses. These are organised by overarching pillar.

Topic	Description	Indicator risk identification
Pillar: Labour standards & rights		
Wages	Wages to meet a workers' basic living needs and provide some discretionary income. Workers should be provided written information about their wages before entering employment and each time they are paid.	Does the country have a minimum wage, is it above the poverty line and is it enforced? What percentage of the population lives below the poverty line?
Children & young Workers	There shall be no new recruitment of child labour, children should be enabled to attend and remain in quality education. No children or young persons under 18 shall be employed at night or in hazardous conditions.	Does the legal framework adequately protect children and does the state have the capacity to enforce it? How prevalent and serious are adverse impacts and infringements in the country?
Forced labour	Workers should work voluntarily and without threat of penalty of any kind. Debt-bondage, indentured labour	Where countries receive migrants, do they come through high-risk recruitment channels? How well is the rule of law enforced? What is the overall level of poverty? How large is

	and the use of involuntary prison labour are all forms of forced labour.	the informal workforce? How vulnerable are minorities? What anti-trafficking measures are in place?
Regular employment	Regular employment means that all workers are provided with a legally recognised employment relationship and that every effort is made to ensure that employment is continuous, and that employers obligations shall not be avoided through use of alternative contracting arrangements.	What proportion of those in employment receive wages or salaries?
Gender	Workers should face no distinction, exclusion or preference based on their gender. Despite progress over the last century, women remain disproportionately exposed to the most vulnerable situations in a workforce.	To what extent are there gender inequalities in reproductive health, empowerment, and economic status? What disparities are there in labour force participation and pay? Does the law mandate equal remuneration, non-discrimination? Does the government support child-care and maternity leave? Can a woman pursue similar jobs to men?
Discrimination	Workers should face no distinction, exclusion or preference based on a personal or physical characteristic which deprives a person access to equal opportunity or treatment in any area of employment. Excludes gender-based discrimination (covered by the Gender topic).	To what extent are minorities accepted in a country? Are individuals free to practice and express their beliefs? Do laws, policies, and practices guarantee equal treatment?
Freedom of association and collective bargaining	Freedom of Association means allowing workers to form and join trade unions, worker associations and worker councils or committees of their own choosing. The purpose is to have good two-way communication between management and workers.	How well are workers' rights protected in law and practice?
Working hours	Working hours must meet legal requirements and comply with collective agreements to provide workers sufficient rest periods and include at least one day off each week on average. Working hours in any 7-day period should not exceed 60 hours unless in exceptional circumstances.	What are average hours worked in the country?
Pillar: Health & safety		
Health, safety & hygiene	Workers should be provided a working environment safe from hazards, and measures are in place to prevent accidents and injury whilst at work. Workers receive regular recorded health and safety training and have access to clean and safe facilities and accommodation, where provided.	What proportion of workers have been seriously injured at work and do workers feel able to report incidents? Do social factors (poverty, literacy, gender inequality, trust in government and press reporting) support a safe working environment? Is the country vulnerable to climate change?
Pillar: Business Ethics		
Business Ethics	The Business Ethics index demonstrates the prevalence of ethical business management, for the benefit of workers.	Perceived levels of public sector corruption, according to experts and business people.

Pillar: Environment		
Energy & emissions	Energy and emissions tracks vulnerability to the physical and transitional risks associated with climate change.	How fast are a nation's emissions of climate-forcing gases and particles growing?
Biodiversity	Biodiversity tracks the protection afforded to conserve biodiversity and the extent of recent deforestation.	To what extent is a country's biodiversity protected by law? How much ecosystems loss has there been?
Waste & pollution	Waste & pollution tracks air quality, treatment of wastewater and heavy metal contamination.	Are sulphur dioxide and nitrogen oxides emissions growing. What proportion of solid waste is managed in a controlled way?
Water	Water measures the observed water stress of a region.	What is the ratio of total withdrawals to total renewable supply of water?

1.2 Sector weights

The country risk ratings (as described above) are weighted at the topic level by sector to generate sector-weighted country risk scores. The sector weighting is applied first at an ISIC "section" level (21 sections) and then at an ISIC "division" level (99 divisions) where risks are known to vary within the sector.

The purpose for the sector-weighting is to help companies receive a more nuanced score than would be provided by a flat country score across all sectors. For example, a supplier of financial services is likely to have different risks to a grower in the same country.

Initial sector weights

The sector risk scores derive from independent, original research which assesses the degree to which negative impacts on people or the environment are considered likely in a specific sector. Sectors are assessed based on the following factors:

- **Organisations' size** as an indicator of the degree of due diligence likely to occur and sophistication of processes and management
- **Workforce skill level** as an indicator of worker vulnerability to exploitation
- **Labour intensity** as an indicator of number of workers that the organisation manages
- **Type of work** as an indicator of skill level required and hazards faced
- **Risks observed** as an indicator of evidence of risk to people or environment in the sector

The measures range from a value of 0, which indicates no additional risk, to a value of 4, which indicates extreme risk. The table below shows how these scores were derived, with incidental scoring 0 and extreme scoring 4.

Risk level	Sector organisations	Workforce profile	Labour intensity	Type of work	Risks observed in majority of countries / across sector
Extreme	Most operations are smaller scale, including family and artisanal activities, or subcontracting	Most workers are low-skilled and may include seasonal, temporary or migrant workers	High labour intensity	Most operations require low-skilled manual labour	Evidence of severe negative impacts typical across sector and/or major sourcing countries
Major	Most operations are smaller scale, including family and artisanal activities, or subcontracting	Most workers are low-skilled and may include seasonal, temporary or migrant workers	High labour intensity	Most operations require low-skilled workers	Evidence of severe negative impacts observed in some parts of the sector and/or in some sourcing countries
Moderate	Most operations are large scale, but there are small-scale elements or subcontracting	Most workers are high skilled, but the business may also rely on some lower skilled workers, including seasonal, temporary or migrant workers	Mostly low labour intensity, but some elements may require higher labour intensity	Most operations are mechanised or automated but some elements require low-skilled manual labour	Evidence of severe negative impacts observed in isolated cases in the sector and/or in particular sourcing countries
Minor	Large scale sophisticated operations, corporate multinational operations	Most workers are high skilled, including temporary or migrant workers	Low labour intensity common across sector	Most operations mechanised or automated	Evidence of minor negative impacts observed in isolated cases across the sector and/or major sourcing countries
Incidental	Large scale sophisticated operations, corporate multinational operations	Most workers are high skilled, including temporary or migrant workers	Low labour intensity common across sector	Most operations mechanised or automated	Evidence of minor negative impacts observed in isolated cases in some parts of the sector and/or some sourcing countries

See the supplementary 'Sector and division scores' document within Sedex e-Learning for further details.

Additional data sources are used to influence the sector scoring, where data exist that meet the following criteria:

- Coverage – across the majority of sectors;
- Reliability – from reliable sources;
- Comparability – to enable the sector rating to be generated in a comparable way

Specific data sources used are listed below.

Topic	Indicator
Freedom of Association	U.S. BUREAU OF LABOR STATISTICS <i>Union affiliation of employed wage and salary workers by occupation and industry</i> 2021-2022 annual averages (data accessed on 11 April 2023) are used at industry level, in conjunction with a qualitative assessment.
Health, safety & hygiene	ILOSTAT <i>Fatal occupational injuries per 100'000 workers by economic activity</i> <i>Non-fatal occupational injuries per 100'000 workers by economic activity</i> Injuries per 100'000 workers, 2017-2021 are used at ISIC Level 1, in conjunction with a qualitative assessment.
Working hours	ILOSTAT <i>Mean weekly hours actually worked per employed person by sex and economic activity - ISIC level 2.</i>
Energy & emissions	OECD <i>Air and greenhouse gas emissions by industry</i> Total emissions by industry, 2017-2021 are used at ISIC level 2, in conjunction with a qualitative assessment.

Forced Labour Index

The Forced Labour Index includes a sector (division-level) risk for a selection of key sectors as follows:

- Primary agriculture;
- Food and agri-processing;
- Light manufacturing (textiles & garments, shoes, electronics, home furniture and toys);
- Transport and logistics.



The sector weights (as above) are used for those divisions not covered by the Forced Labour Index. See Annex 3 of the 'Forced labour index methodology briefing note' in Sedex e-Learning for details of the specific ISIC divisions included within the Forced labour index.

Primary sectors

Users of Radar can filter suppliers to only show producers of primary materials, such as agricultural sites and mining sites. This is based on the site's ISIC code. ISIC codes associated with primary production are listed in Appendix 2.

High Risk Goods

A list of 'High Risk Goods' by country of production was produced according to the table below:

Risk	Source
Forced Labour	List of Goods Produced by Child Labor or Forced Labor (ILAB, US Department of Labor) https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods (Last accessed 01/02/2022)
Child Labour	
Deforestation	Forest 500 (Global Canopy Project) ² forest500.org  
Conflict minerals	List of conflict-affected and high-risk areas (CAHRAs), European Union https://www.cahrastlist.net/ (Last accessed February 2022)

Where the combination of country and site activity (ISIC class) indicates the presence of a high risk good then an additional score of 2 is given. This is reduced to 1 for Forced Labour for those classes covered by the Forced Labour Index as this already includes a scoring element for this risk.

1.3 Combined inherent risk scores

Final inherent scores are on a scale of 1 to 10.

- Country score (1 to 6) + Sector score (1 to 4) + 'High Risk Good' score (0 to 2)
- If the score exceeds 10 due to the presence of a 'High Risk Good' then it is limited to 10.

The combined inherent risk score is equal to the average (mean) of the underlying topics. Averaging is by topic rather than pillar to avoid giving undue weighting to the indicators underlying the pillars with only one topic (Health and Safety, and Business Ethics).

2. Site characteristics scores

Site profile and SAQ data are used to produce additional risk scores: Site Characteristics scores and Management Controls scores.

² This data was obtained under licence from Forest 500 (forest500.org), a project of Global Canopy (www.globalcanopy.org). They were obtained in March 2022. More up-to-date data may be available from Forest 500.

2.1 Site characteristic scores

A subset of questions from the SAQ have been selected as being key to helping companies to identify potential labour standard or health and safety risks and highlight areas that may require additional due diligence or closer scrutiny. The score considers various characteristics of a supplier site, such as the number and type of workers, labour intensity, recruitment practices, worker representation, gender, health and safety, and working hours. Certain responses are weighted more or less heavily toward the risk score, based on common risk factors and an analysis of historic SAQ answers against Sedex audit non-compliance data.

Answers are scored according to the following scoring framework³:

RISK FACTOR	Description	EXAMPLE ANSWER
No risk	This category represents answers where there is no evidence to suggest that the risk factor is present. No score.	A free and independent trade union is active in the workplace.
Minor	This category represents answers or data that identify a minor risk factor. Scores 1 risk point.	Workers receive between 10% - 30% of their pay as 'in-kind' benefits
Moderate	This category represents answers or data that identify a moderate risk factor. Scores 2 points towards the risk score.	Over 15% of the site's workforce are apprentices, trainees or interns.
High	This category represents answers or data that identify a high risk factor. Scores 4 risk points.	Workers are hired through temporary, seasonal or guest worker programmes.
Critical	This category represents answers or data that identify a critical risk factor. Scores 7 risk points.	Workers travel from 'high risk' countries sending countries to work at the site.

³ This scoring framework is applicable to sites that identify as 'Goods Providers' and completed the latest SAQ for Goods Providers, first released in May 2023.

By using this scoring framework, Sedex members can identify and prioritise risks in their supply chain, and take proactive steps to address these risks, prevent potential violations of human rights, and promote responsible business practices. It is important to check if the company has appropriate systems in place to manage and mitigate the risks associated with each category.

There is no positive scoring for answers that might mitigate a risk within the Site Characteristic risk score; management controls are scored in the management controls section. This is to maintain the robustness of the score and to maintain a clear distinction between characteristic risks and (potential) mitigation of those risks.

To maintain alignment with the scope of a SMETA audit, environmental and business ethics issues are only scored in the management controls section.

The following table provides a list and rationale of the factors that contribute to a site's risk score⁴.

Topic	Risk factor	Reason for inclusion
Inherent risk	Country	Companies operating in higher risk industry sectors will need to have more robust management systems and controls in place to protect workers from harm.
	Sector	
Site characteristics risk (Labour standards pillar)		
Profile	Number of workers	The more workers at a site, the more people who could be potentially impacted by a negative practice. Sites with larger number of workers would typically be expected to have more advance management systems and controls in place to protect workers from harm.
	Labour intensity	Many labour-intensive jobs require low levels of skill or education, and therefore tend to be low-paid. Labour-intensive industries or processes require large quantities of physical effort to complete necessary tasks, leaving workers more vulnerable to fatigue and other health and safety risks.
	Cooperative, benefit corporation or non-profit	Companies with a governance structure that legally requires them to consider the interests of other stakeholders are more likely to carry out practices that are socially and environmentally responsible.
Management systems for Code Implementation	Risk to local community or indigenous peoples	Companies operating on or near the land of indigenous and rural communities must ensure that the rights of indigenous people or local communities are respected.
Freely chosen employment	Uses prison labour	Where prison labour is used, efforts must be made to ensure that prisoners have given their consent freely and expressly, without any coercion or threat of penalty. Involuntary prison labour

⁴ Applicable to sites that identify as 'Goods Providers' and completed the latest SAQ for Goods Providers, first released in May 2023.

and responsible recruitment		is a form of forced labour and a clear violation of international law. It is therefore essential to carry out enhanced due diligence wherever there is a credible risk that prison labour is present in a supply chain.
	Uses labour providers or guest worker schemes	A site that uses labour providers is more reliant on a third party for due diligence and to ensure workers are subject to adequate employment protections. This exposes a company to greater risk of labour exploitation if their own controls are not adequate. While guest worker programmes can provide economic benefits to migrant workers, guest workers often suffer from abusive working conditions and low wages.
	% of workers that are migrant	Migrants are at heightened risk of labour exploitation and trafficking, or may be subject to discrimination because of their migrant status. So-called 'low-skilled' migrant workers regularly incur fees and other costs during the recruitment and employment process that can leave them in a situation of indebtedness.
	Multi-tier recruitment	A lack of thorough screening of secondary recruiters or agents by you or the labour providers you delegate this responsibility to can result in the use of recruiters and agents that are neither able nor willing to conform to your company social responsibility expectations or the law. Strong controls will be needed to avoid potential issues such as workers being charged recruitment fees and receiving unfair contract terms.
	Recruits 'low-skilled' migrant workers	Migrants are at heightened risk of labour exploitation and trafficking, or may be subject to discrimination because of their migrant status.
	Recruits 'low-skilled' migrant workers from high-risk country	'Low-skilled' migrants are frequently at heightened risk of forced labour, especially where they pay recruitment fees and where they originate from sending countries that are associated with exploitative labour recruitment practices of migrant workers seeking employment abroad. Higher risk countries are those with relatively large numbers of migrants who come through a greater number of higher risk international recruitment channels
Freedom of association	Absence of independent trade union	Workers who lack trade union representation lack a formal grievance channel within the business to express and raise concerns, and they also lack additional protection from collective bargaining and negotiation.
	Industrial action (in past 2 years)	Industrial action takes place when workers are not satisfied with their pay, working conditions or employment terms, and typically signifies a failure to resolve disputes through dialogue.
Children and young workers	Children living in site-provided accommodation	If children live on-site then care needs to be taken when they are not at school to keep them away from production areas and to ensure they are well looked after while their parents work.
	% of workers that are apprentices, trainees or interns	Used appropriately, apprenticeships, internships and traineeships provide valuable forms of work-based learning. However, excessive use of these schemes could indicate they are being used to provide a lower cost and more flexible supply of labour.
	Workers under 15 years' old	Children have a right to be protected from harm, have a right to an education and should attend school before they start working. International standards say that no child under 15 should be in

		full-time employment. In some countries this is higher and there are some exceptions developing countries allow children aged 14 to be in full-time employment.
Wages	Workers paid by piece	While piece rate may boost productivity, it has been shown to have unintended consequences for occupational safety and health, including increased accident and injury risk. Workers whose pay is jointly determined by hourly pay and a piece rate ('partial piece rate pay') are more likely to suffer from reduced emotional and physical health compared to workers paid by the hour.
	Payment in-kind	In some industries or occupations payment in-kind is long-established and well-received by the workers concerned, but there is also risk that it can limit the financial income of workers. Where used, in-kind allowances should be appropriate for the personal use and benefit of the worker and his or her family, and have a fair and reasonable valuation.
Regular employment	% of workers that are permanent	Permanent employees tend to have better compensation, dependable hours and job security than those in precarious work (such as agency or subcontracted work, temporary work, casual or 'on-call' work, seasonal work, home-work and self-employment). Many of these jobs fail to pay normal employment benefits like health, life insurance, sick pay, or pensions.
Discrimination	Representation of women in managerial roles (women workers to women managers ratio)	This indicator can reveal discrimination in hiring, promotion, and pay and can point toward harmful practices related to unethical advancement processes and firing practices. Determining why women are not in managerial roles would require further investigation in terms of reviewing policies related to hiring and promotion, as well as interviews with workers to understand their perceptions on women occupying managerial positions.
	Representation of women in supervisory roles (women workers to women supervisors ratio)	This indicator can reveal discrimination in hiring, promotion, and pay and can point toward harmful practices related to unethical advancement processes and firing practices. It could also potentially create an environment with significant power imbalances that could lead to other discriminatory practices, such as harassment.
Subcontracting and homeworking	Subcontracts part of production	Subcontracting part of the production process reduces visibility of working conditions and, without proper controls, could introduce labour exploitation.
	Uses informal workers (inc. homeworkers)	Informal workers tend to have lower incomes and less training than formal workers, as well as more limited access to healthcare and protective equipment. Home workers are vulnerable because they are isolated, have less opportunity to form or join a union, and are distant from business oversight and safeguarding mechanisms.
Site characteristics risk: Health and safety pillar		
Health and safety	Workers operate high risk or heavy machinery and/or vehicles	Working conditions contain hazards that could cause fatal accidents if appropriate health and safety systems are not implemented.
	Hazardous materials	Working conditions contain hazards that could pose health risks to workers if appropriate health and safety systems are not implemented.
	Provides living accommodation	Companies must ensure that any worker accommodation provided must be safe and hygienic and workers have freedom of movement.

	% of workers that are age 24 or younger	Statistics show that 18- to 24-year-olds are more likely to have a serious accident at work than older adults. Young workers should be given appropriate work and provided with adequate training and supervision. Special rules apply to young workers under the age of 18.
Working hours	Regular hours (excluding overtime) over 48 hours?	Long hours of work contribute to workers' fatigue and can lead to accidents on the job, whereas ensuring workers do not work excessive hours can ensure high productivity while safeguarding workers' physical and mental health.
	Average total hours per week over 60 hours?	Long hours of work contribute to workers' fatigue and can lead to accidents on the job, whereas ensuring workers do not work excessive hours can ensure high productivity while safeguarding workers' physical and mental health.

Normalisation

According to the answers given, each site ends up with a "raw" score. These scores are then normalised 1 to 10, where an overall site characteristics score of 10 is achieved when the site reaches 45% of the total available risk points.

The site characteristics scores are not normalised by supplier type, so business types who are asked fewer questions (such as micro businesses) may not be able to score the maximum score of 10. This is to ensure comparability between all supplier types – only those that have the highest risks will get the highest scores.

3. Management Controls

Summary

Sedex supplier members receive a Management Controls at My Business report after successfully completing the SAQ. This is tool that suppliers can use to assess their risk management practices, understand how their practices compare to industry standards, and identify areas for improvement. The goal is to reward businesses that are striving to develop a system to manage and mitigate their risks.

At the highest level, sites receive a Management Controls score of 0 to 5 based on their risk management practices, where 5 is the highest and best score available.

Scoring framework

The Management Controls score is based on a four-level scoring system, where answers can receive either 1 point, 2 points, 3 points or 7 points. Answers that receive 1 point are basic and essential practices, while those that receive 2 points are good practices. Answers that receive 3 points are best practices, and those that receive 7 points are advanced practices.

Points	Description
<p>1</p>	<p>Basic and Essential Practices (Level 1 answers) Answers that meet the minimum standard for risk management and demonstrate likely compliance with legal and ethical requirements are awarded 1 point. These answers form a solid foundation for risk management but are not sufficient to constitute reasonable due diligence.</p> <p>Examples of Level 1 answers include enforcing the use of personal protective equipment (PPE) in the workplace, the presence of a written policy document, and making a separate bed available to each worker in their living accommodation.</p>
<p>2</p>	<p>Good Practices (Level 2 answers) Answers that demonstrate a higher level of risk management and are likely to go beyond the minimum standard are awarded 2 points. These answers show that the business is committed to continuous improvement and is taking proactive measures to manage its impacts.</p> <p>Examples of Level 2 answers include minimising the use of, or not using, double deck bunks in living accommodation, providing workers with a 'key' in their own language that enables them to understand their payslips, and carrying out formal due diligence screening of prospective labour providers to determine if their practices conform to requirements.</p>
<p>3</p>	<p>Best Practices (Level 3 answers) Answers that demonstrate a high level of risk management and go beyond the expected standard are awarded 3 points. These answers show that the business is committed to achieving excellence in its risk management practices and may be taking steps to address systemic issues.</p> <p>Examples of Level 3 answers include consulting workers (or their representatives) on the design of their housing where possible, implementing a worker committee or council, with freely-elected representatives, to represent workers (where there are no trade unions), or having a committee or individual responsible for the implementation, monitoring, and evaluation of measures that promote gender equality and women's empowerment</p>
<p>7</p>	<p>Advanced practices (Level 4 answers) Answers that demonstrate an advanced level of risk management and go beyond the best practices are awarded 7 points. These answers show that the business is at the forefront of risk management practices and is taking innovative measures to manage its impacts.</p> <p>Examples of Level 4 answers paying workers a genuine living wage, and implementing an internationally recognised health and safety management system (ISO 45001).</p>

A score of 5 is reached only when all available points are achieved. By evaluating their practices against the four levels of the framework, suppliers can determine which areas require attention and develop strategies to address them. This can help to reduce their risks and ensure that they are operating in a responsible and sustainable manner, while meeting their legal and ethical obligations.

4. Combined risk scores

A site's final 'combined overall risk' score is on a scale of 0-10, where 10 is the highest risk. They are a combination of:

- Inherent risk score
- Site characteristics risk score

The combined overall risk score is automatically adjusted in the following circumstances:

- If the Management Controls score is between 4.0 – 5.0, and there are no open 'business critical' or 'critical' audit non-compliances, and fewer than 6 open 'major' audit non-compliances, the overall risk score is reduced by 25%. If the Management Controls score is between 3.0 – 3.9 it is reduced by 10%.
- If the overall risk score is less than 6.0 and there are any open 'business critical' or 'critical' audit non-compliances, or 6 or more open 'major' audit non-compliances, the score is increased to 6.0 ('high risk').

Risk categories

Scores are categorised into High, Medium and Low risk according to the underlying scores out of 10.

Radar is designed to provide an indication of where risk can be highest within countries and different sectors generally, but this should not be equated with certainty. Risk scores should be regarded as a preliminary exercise. However, to help businesses prioritise their resources, the following definitions can be used as a general guide.

Overall risk category	Score range	Guidance
Low	0.0 – 3.9	The inherent risks associated with the country and sector in which the site operates combined with its characteristics are likely to be mitigated by the management controls as described. The site does not have any open critical audit risks. In this context, the risk of moderate/severe violations of labour or environmental standards occurring is lower than average.
Medium	4.0 – 5.9	The inherent risks associated with the country and sector in which the site operates combined with its characteristics might not be mitigated by the management controls as described. In this context, the risk of violations of moderate/severe labour or environmental standards occurring is moderate.
High	6.0 – 10	The inherent risks associated with the country and sector in which the site operates combined with its characteristics are unlikely to be mitigated by the management controls as described. The site may have one or more open critical audit risks or multiple open major risks. In this context, the risk of moderate/severe violations of labour or environmental standards occurring is higher than average.

5. Limitations and considerations

5.1 Data sources

While we consider that the data sources used are credible and have been compiled by experts, there may be distortions or incompleteness in the data sources used, some of which are collected sporadically, or which incorporate judgements by the expert agencies concerned. Countries scores do not contain a desk research component except where the underlying indicator included desk research. The desk research carried out for sector scores does not claim to be exhaustive and may be limited based on the availability of publicly available information about risks in a specific sector.

The indicators are updated annually, using the latest available indicators at the time of the update. Naturally there is a delay between the compilation of the original data and the present moment, Real-world events that could increase or decrease risk (such as war or other geopolitical events) are not immediately reflected in the risk scores. Where such events occur, companies should take a common sense approach and recategorise suppliers accordingly, if necessary.

While the list of potential High Risk Goods and the associated risks is collected from key, credible sources including the List of Goods Produced by Child Labor or Forced Labor (US DOL) and Forest 500 (Global Canopy) it is by no means exhaustive. The absence of a High Risk product flag should not be interpreted as confirmation that the product is not associated with a human rights or environmental risk.

5.2 Inherent risk scores

In the tool, inherent risk scores are presented as the sum of country and sector risks. These two risk scores are considered separately to allow for the swift processing of weighted risk scores. However please note that a limitation to this approach is that it does not have the ability to consider specific reports and circumstances that affect the risk within a given sector in a specific country. The Forced Labour index is the only index used within the tool that considers specific sectoral in-country combinations. Where country / sector combinations suggest high risk scores, users should carry out additional research to confirm the country situation.

5.3 Self-declared information

The sites scores provided by Radar use self-declared information entered by the supplier within the Sedex platform. This information is not verified as being accurate and should be considered in conjunction with other sources of information, such as findings from audit reports, site visits and known industry norms.

5.4 Interpreting and using findings

The tool is designed to provide an indication of where risk can be highest within countries and different sectors generally, but this should not be equated with certainty. Risk scores should be regarded as a preliminary exercise. Country scores do not factor in

regional variations in risk. Where countries and sectors are associated with a higher risk, there is a need for further due diligence to verify risks and investigate the particular circumstances on the ground.

To follow good practice, buyers should consider the risk scores in Radar alongside other knowledge that they hold about their suppliers, such as: level of supplier commitment, previous audit results, research carried out by NGOs, issues raised by the media etc. This supplementary information may be used by businesses to recategorise a supplier into a higher or lower risk group than the one automatically assigned by the tool.

Where a supplier has a record that demonstrates a commitment to improving labour rights and working conditions over time, buying companies could consider rewarding the supplier through incentives such as increased orders, decreased audit frequency and longer-term contracts.

6. Supplementary documents

The following documents available in Sedex e-Learning expand on specific areas within this methodology document:

1. Briefing note: Sedex SAQ
2. Briefing note: Forced Labour index methodology
3. Sector and division risk scores

Appendix 1: Country Indicators by topic

Topic	Indicator	Indicator Description	Source
Gender	Gender inequality Index	The GII measures gender inequalities in reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older. It measures the human development costs of gender inequality. The higher the GII value the more disparities between females and males and the more loss to human development.	United Nations Development Programme (2022)
Gender	Global Gender Gap	Economic Participation and Opportunity. Measures: + Ratio Female labour force participation: male + Wage equality for similar work + Ratio Female estimated earned income over male + Ratio - female legislators, senior officials and managers over male + Ratio - Female professional and technical workers over male	World Economic Forum (2022)
Gender	Women, Business and the Law Custom subset	Does the law mandate equal remuneration, non-discrimination? Does the government support child-care and maternity leave? Can a woman pursue similar jobs to men?	World Bank (2023)
Forced Labour	Forced Labour Index	Custom indicator: Ergon Forced Labour Index. The score represents the risk of forced labour in a given country based on a composite of indicators related to rule of law, poverty, informality, anti-trafficking regulation, treatment of minorities and risks to migrants. This is enhanced by desk research on known instances of forced labour conducted for four economic sectors (agriculture, food processing, light manufacturing and logistics) for each country.	Ergon Associates (2022)
Freedom of Association and Collective Bargaining	ITUC Global Rights Index	Ranks 139 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. Trade Union Activities is one of the composite indicators. Questionnaires are sent to 331 national unions in 163 countries to report violations of workers' rights by indicating relevant details. Regional meetings with human and trade union rights experts are held where the questionnaire is disseminated, explained and completed. The ITUC contacts unions directly by phone and email when it becomes aware of violations to confirm relevant facts. Legal researchers analyse national legislation and identify sections which are not adequately protecting internationally recognised collective labour rights.	The International Trade Union Confederation (ITUC) (2023)
Health, safety & hygiene	Environmental Performance Index (EPI): Sanitation & Drinking Water	The Sanitation & Drinking Water issue category measures how well countries protect human health from environmental risks on two indicators: unsafe drinking water and unsafe sanitation.	Yale University (2022)

Health, safety & hygiene	Global Health Security (GHS) Index: Social resilience	Social resilience is used as a sub-indicator in the Global Health Security (GHS) Index. The indicator score is the weighted sum of the following sub-indicator scores: 6.2.1) Literacy (20.0%) 6.2.2) Gender equality (20.0%) 6.2.3) Poverty levels (20.0%) 6.2.4) Public confidence in government (20.0%) 6.2.5) Local media and reporting (20.0%) It is used to assess whether social factors (poverty, literacy, gender inequality, trust in government and press reporting) support a safe working environment.	Nuclear Threat Initiative (NTI), the Johns Hopkins Center for Health Security (JHU), The Economist Intelligence Unit (EIU) (2022)
Health, safety & hygiene	The Notre Dame-Global Adaptation Index (ND-GAIN) Country Index	The ND-GAIN Country Index summarises a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience.	University of Notre Dame (2021)
Children & Young Workers	Children's Rights in the Workplace	The Children's Rights in the Workplace Index measures the extent to which countries eliminate child labour and provide decent work for young workers, parents and caregivers. Legal framework indicators measure the measure the state's commitment to implement its obligations to protect children. Enforcement indicators measure the state's capacity to implement its obligations. Outcome indicators capture adverse impacts and infringements by both state and non-state actors.	Global Child Forum and UNICEF (2018)
Wages	2022 Country Reports on Human Rights Practices	Custom indicator: This uses information from the US Bureau of Democracy, Human Rights and Labor. Countries are scored according to whether they have a minimum wage, whether it is above the poverty line and whether it is enforced.	US Bureau of Democracy, Human Rights and Labor (2023)
Wages	Poverty headcount ratio at \$6.85 a day (2017 PPP) (% of population)	Custom indicator: The World Bank provides data on the % (headcount) of population with an income below various poverty levels. \$6.85 was chosen as it is the poverty line for upper-middle income countries, and well above the \$2.15 absolute poverty line.	World Bank (2022)
Working Hours	Mean weekly working hours actually worked per employee	Mean weekly hours actually worked per employee by sex and economic activity.	ILO (2023)
Discrimination	Group Grievance	This focuses on divisions and schisms between different groups in society – particularly divisions based on social or political characteristics – and their role in access to services or resources, and inclusion in the political process. This is part of the Fragile States Index.	Fund for Peace (2023)
Discrimination	Global Slavery Index vulnerability Model: Disenfranchised groups	The Disenfranchised Groups dimension of the GSI vulnerability model uses three risk variables: <ul style="list-style-type: none"> • Employers prioritise nationals • Social group equality • LGBTI acceptance 	Walk Free Foundation (2023)

Discrimination	Freedom in the World	D2. Are individuals free to practice and express their religious faith or non-belief in public and private? F4. Do laws, policies, and practices guarantee equal treatment of various segments of the population?	Freedom House (2023)
Regular employment	Wage and salaried workers, total (% of total employment)	Wage and salaried workers (employees) are those workers who hold the type of jobs defined as "paid employment jobs," where the incumbents hold explicit (written or oral) or implicit employment contracts that give them a basic remuneration that is not directly dependent upon the revenue of the unit for which they work.	World Development Indicators World Bank / ILO (2023)
Business Ethics	Corruption Perception Index	The index ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople.	Transparency International (2023)
Biodiversity	Environmental Performance Index (EPI): Biodiversity & Habitat	The Biodiversity and Habitat issue category assesses countries' actions toward retaining natural ecosystems and protecting the full range of biodiversity within their borders. It consists of seven indicators: terrestrial biome protection (weighted for the national and global rarity of biomes), marine protected areas, Protected Areas Representativeness Index, Species Habitat Index, Species Protection Index, and Biodiversity Habitat Index.	Yale University (2022)
Biodiversity	Environmental Performance Index (EPI): Ecosystems services	The Ecosystem Services issue category recognizes the important services ecosystems provide to human and environmental well-being, including carbon sequestration and storage, biodiversity habitat, nutrient cycling, and coastal protection. It consists of three indicators to evaluate the state of these ecosystems: tree cover loss, grassland loss and wetland loss.	Yale University (2022)
Energy & Emissions	Environmental Performance Index (EPI): Climate Change	Provides an indication of how well a country is reducing its domestic emissions, by assessing the growth in greenhouse gases and GHG intensity.	Yale University (2022)
Water	Water Stress Index	A measure of the extent to which the raw material and source location are subject to observed water stress.	World Resources Institute (2019)
Waste and pollution	Environmental Performance Index (EPI): APE – pollution emissions	The Pollution Emissions issue category measures progress on managing the emissions of two primary air pollutants. It is composed of two indicators, adjusted emission growth rates for SO ₂ and NO _x .	Yale University (2022)
Waste and pollution	Environmental Performance Index (EPI): WMG – Controlled solid waste	Controlled solid waste refers to the proportion of household and commercial waste generated in a country that is collected and treated in a manner that controls environmental risks. This metric counts waste as "controlled" if it is treated through recycling, composting, anaerobic digestion, incineration, or disposed of in a sanitary landfill.	Yale University (2022)

Appendix 2 – Sectors

The ISIC section headings are:

A - Agriculture, forestry and fishing	L - Real estate activities
B - Mining and quarrying	M - Professional, scientific and technical activities
C - Manufacturing	N - Administrative and support service activities
D - Electricity, gas, steam and air conditioning supply	O - Public administration and defence; compulsory social security
E - Water supply; sewerage, waste management and remediation activities	P - Education
F - Construction	Q - Human health and social work activities
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	R - Arts, entertainment and recreation
H - Transportation and storage	S - Other service activities
I - Accommodation and food service activities	T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
J - Information and communication	U - Activities of extraterritorial organizations and bodies
K - Financial and insurance activities	

Primary production – ISIC codes

011 Growing of Non-Perennial Crops	016 Support activities to agriculture and post-harvest crop activities	06x Extraction of crude petroleum and natural gas
012 Growing of Perennial Crops	02x Forestry and logging	07x Mining of metal ores
013 Plant Propagation	03x Fishing and Aquaculture	08x Other mining and quarrying
014 Animal production	05x Mining of coal and lignite	
015 Mixed farming		