

Factors contributing to the new SAQ risk score

| Site characteristics risk indicators | |
|--|---|
| Profile | Number of workers |
| | Labour intensity |
| | Cooperative, benefit corporation or non-profit |
| Management systems for Code Implementation | Risk to local community or indigenous peoples |
| Freely chosen employment and responsible recruitment | Uses prison labour |
| | Uses labour providers or guest worker schemes |
| | % of workers that are migrant |
| | Multi-tier recruitment |
| | Recruits 'low-skilled' migrant workers |
| | Recruits 'low-skilled' migrant workers from high-risk country |
| Freedom of association | Absence of independent trade union |
| | Industrial action (in past 2 years) |
| Children and young workers | Children living in site-provided accommodation |
| | % of workers that are apprentices, trainees or interns |
| | Workers under 15 years' old |
| Wages | Workers paid by piece |
| | Payment in-kind |
| Regular employment | % of workers that are permanent |
| Discrimination | Representation of women in managerial roles (women workers to women managers ratio) |
| | Representation of women in supervisory roles (women workers to women supervisors ratio) |

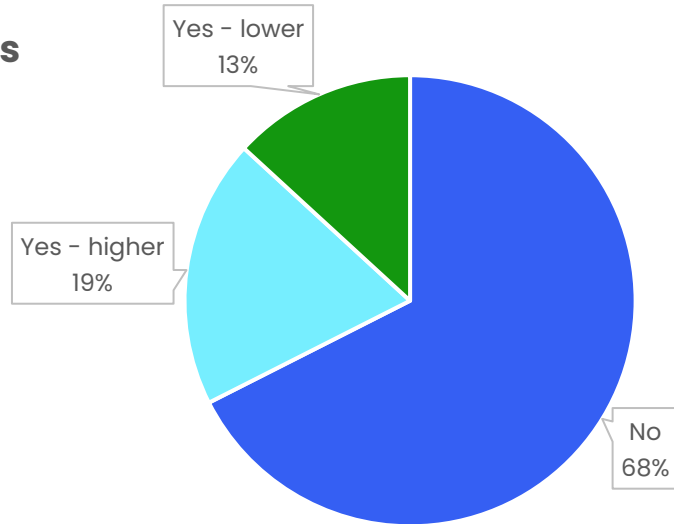
- 28 key risk indicators derived from Site Profile and SAQ data.
- Some indicators have a higher/lower risk weighting than others.
- Combined with **site country** and **sector** (ISIC division) to determine the overall risk score.
- The overall risk score can be compensated by the **Management Controls** score (by up to 25%).

| Site characteristics risk indicators (continued) | |
|--|--|
| Health and safety | Workers operate high risk or heavy machinery and/or vehicles |
| | Hazardous materials |
| | Provides living accommodation |
| | % of workers that are age 24 or younger |
| Working hours | Regular hours (excluding overtime) over 48 hours? |
| | Average total hours per week over 60 hours? |
| Subcontracting and homeworking | Subcontracts part of production |
| | Uses informal workers (inc. homeworkers) |

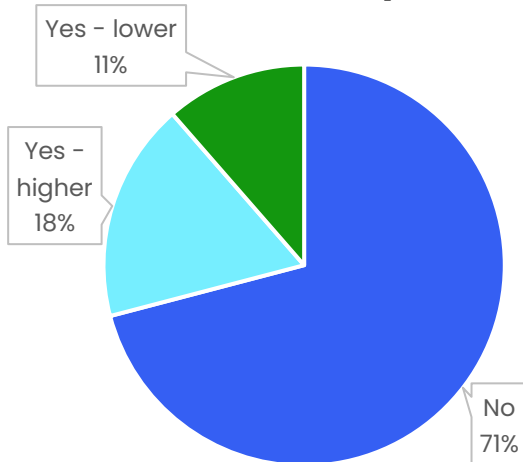
Impact of new SAQ on risk categories

Has the risk category changed after completing the new SAQ?

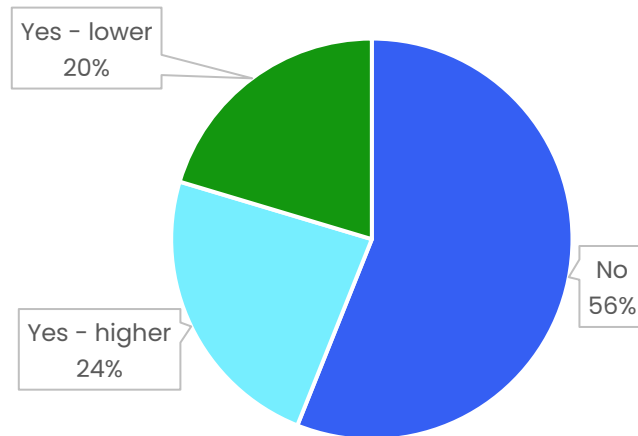
All sectors



Manufacture of food products



Crop and animal production

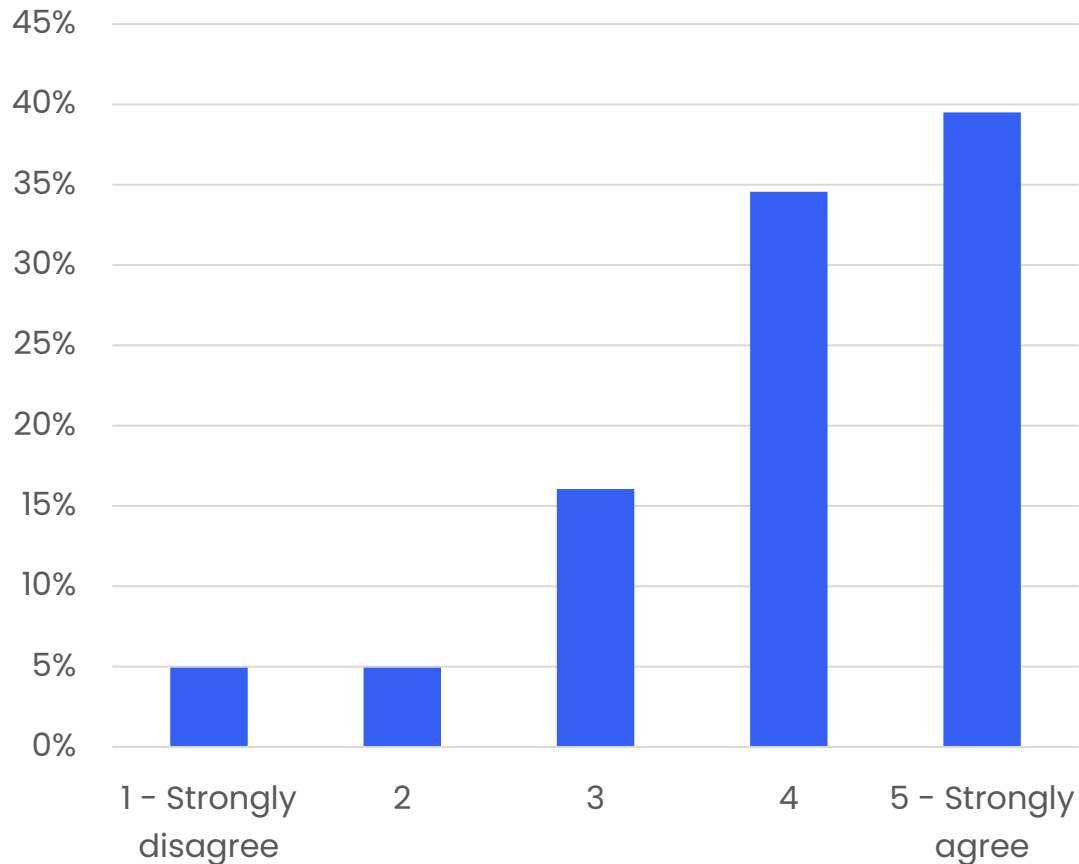


- Sample of **25,164** sites
- **+0.1** average change in risk score (**5.2 vs 5.1**)
- **68%** of sites have stayed in the same risk category
- **+3%** increase in sites that fall into "high risk" category (**27% vs 24%**)

- Significantly more audit issues are found at 'high risk' sites than at 'low risk' sites:
 - **4.7 (+128%)** more NCs per audit
 - **1.4 (+587%)** more critical/business critical NCs
- Adding the SAQ to the inherent (country & sector) risk score significantly improves the risk assessment model, according to audit data.


How else is the new SAQ performing so far?

How much do you agree with this statement: Completing the SAQ helped you to learn about international labour standards and social sustainability?



Completing the SAQ helps suppliers:

- Learn about social sustainability and labour standards.
- Identify changes to make that will benefit workers.

 **91%** of new sites say that completing the SAQ helped them to identify changes to make that will benefit workers.

Unlocking Insights: SAQ Data for Sustainable Supply Chains



<https://vimeo.com/user197682432/review/887600111/67e1a3905d>



 **43 - Unlocking Insights SAQ Data for Sustainable Supply Chains** 
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