

RAINFOREST ALLIANCE

CHILD LABOR AND FORCED LABOR SECTORAL RISK MAPS

GUIDANCE BRIEFING AND METHODS NOTE

November 2021



Ergon

**RAINFOREST
ALLIANCE**



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PURPOSE OF THIS DOCUMENT

This document explains the method used to create the four risk maps developed by [Ergon Associates](#) for the Rainforest Alliance in 2019 covering (certified and non-certified) *tea*, *coffee*, *cocoa* and *bananas* producing countries, focusing on the following themes:

- Forced labor (FL)¹
- Child labor (CL)¹

This document provides an overview of the method behind the indices that evaluate sector risks per country for child and forced labor.

ABOUT THE RISK MAP

These risk assessments are indicative tools to identify where there is a high, medium or low risk of the scoped labor rights abuses in specific crops in relevant producer countries. These are meant for use to adapt mitigation actions to risk context and to adapt requirements and assurance activities based on the risk level. Overall, these indices represent a preliminary country-base exercise and do not factor in sub-national variations or data about individual producers' performance.

METHOD – KEY POINTS

- The method combines third party 'proxy' indicators for assessing structural risk in the country with a bespoke method for assessing risk in practice for the given crop. The latter draws on the Rainforest Alliance's internal knowledge about the crop and production processes, using a set of structured questions to account for key risk drivers and root causes.
- Scores are calibrated through weightings to provide results which offer gradational distinction for a Low, Medium, or High risk classification. The thresholds of scores (High risk: >6.7/10, Medium risk: between 6.7 and 3.3/10, and Low risk: <3.3/10) were chosen to delineate risk results because they best account for clustering of results and/or variation in distribution of data across countries, crops and indices. Importantly, the thresholds allow for an absolute measure of scores across crops and countries, rather than a relative score based on the highest and lowest risk countries, given the small number of producer countries as well as to efficiently track progress of individual countries.
- 'Risk in practice' questions are as specific as possible while allowing the method to be used across all relevant Rainforest Alliance certification countries and sectors. The strength of the score increases as more data is collected over time.

¹ For definitions of Child labor and Forced labor, please refer to the [Rainforest Alliance Sustainable Agriculture Standard Annex S1 Glossary](#)

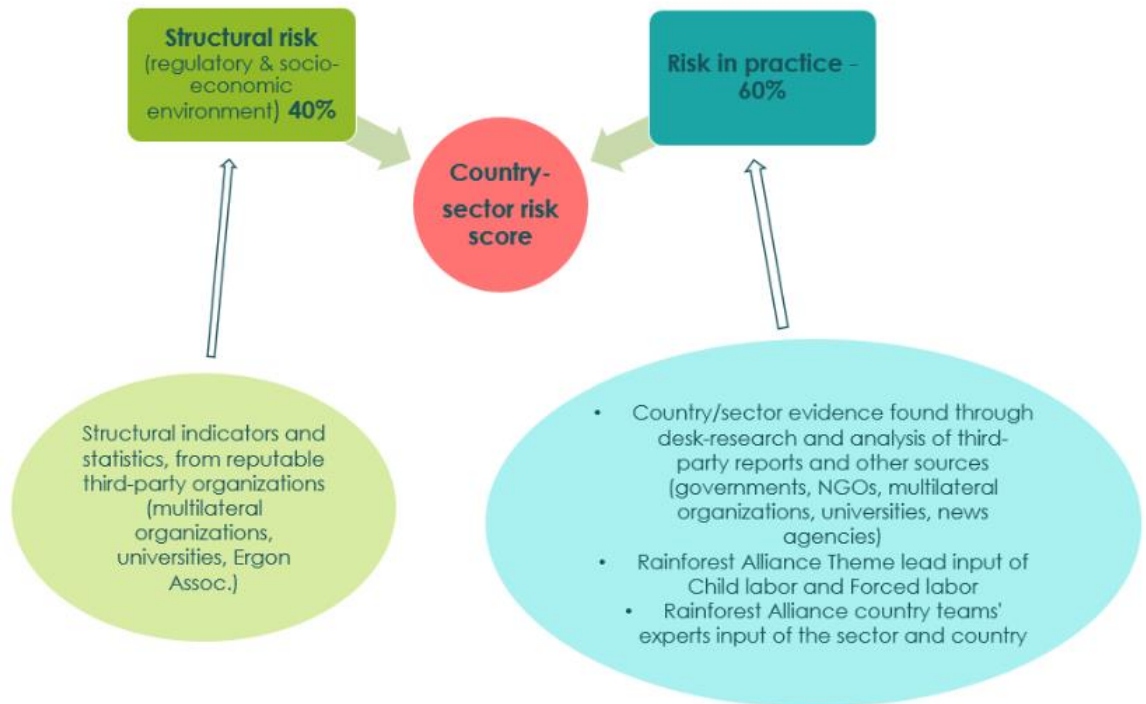


Fig. 1 components of the overall country-sector risk score

KEY LIMITATIONS

- Rankings are based mainly on desk research, using a combination of authoritative third-party quantitative data and qualitative data contributed by country Rainforest Alliance teams and in consultation with experts internal and external to the Rainforest Alliance.
- The risk maps currently reflect a country level risk score. However, in countries where production circumstances vary considerably between regions, such as Brazil and India, risk levels can differ across regions. To address this regional variation, local data may be used to develop sub-national risk maps as more data is collected in each data collection cycle.
- At this stage the distinction between small and large farm is taken into account by including specific questions about the main type of producers (i.e. smallholders versus plantations). However, there are currently no separate risk maps for small and/or large farms.
- The current Rainforest Alliance Child labor and Forced labor risk maps do not cover all countries where Rainforest Alliance producers of coffee, cocoa, tea, and bananas are currently present. For those countries, a proxy approach has been used in order to assign their risk levels (for more details, please see section [2020 RISK MAP EXTENSION](#)).

DEFINITIONS OF RISK CATEGORIES

It is important to note that the resulting risk ratings indicate the likelihood of child labor or forced labor cases, they are not reflective of actual occurrences. The risk ratings are based on key indicators drawn from indices—most of which are publicly available—and the



Rainforest Alliance’s own in-depth research of the structure of the industry and worker demographics in each commodity sector and country.

LOW RISK

Key indicators show there is a low potential incidence of child labor and forced labor in the country and sector. While the structural and inherent risks connected to the regulatory and socio-economic environment are low, this does not mean zero cases of child or forced labor.

MEDIUM RISK

Key indicators show there is a moderate potential incidence of child labor or forced labor cases in the country and sector. Farms must take additional actions to identify and mitigate those risks using the [Farm Risk Assessment Tool](#). They must implement monitoring and apply strong mitigation actions when risks are identified on the farm. Companies sourcing the relevant crops from these countries should ensure robust due diligence processes in these areas. The Rainforest Alliance provides [guidance](#) to certificate holders on how to implement these processes.

HIGH RISK

Key indicators show there is a high potential incidence of child labor or forced labor in the country and sector. In some cases, we have evidence of specific cases in the past 5 years. Farms must take additional actions to identify and mitigate risks of child labor or forced labor using the [Farm Risk Assessment Tool](#). They must implement more robust monitoring and apply stronger mitigation actions when risks are identified on the farm. Companies sourcing the relevant crops from these countries should ensure robust due diligence processes in these areas. The Rainforest Alliance provides [guidance](#) to certificate holders on how to implement these processes.

INDEX METHOD

DEVELOPING EACH INDEX

There are two indices developed as the risk maps for child labor and forced labor. The three key steps to develop an index are illustrated below:



DATA SOURCES: STRUCTURAL RISKS

The table below includes all the relevant data sources, a description of their use in the index and their weightings in the risk map.

Theme	Data sources	Description	Weighting
Child labor		This index uses estimates of child labor prevalence and several other proxies suitable for gauging the likelihood that children could be working in a given country and, where this is the case, the likelihood these arrangements are not compatible with ILO Conventions 182 and 138. The research is focused on reports of child labor relevant to the specific products sourced from the country.	



Theme	Data sources	Description	Weighting
	UNICEF. Child Rights Atlas - Workplace Index 2018	Measure of country's legal labor framework with a focus on children and parents, enforcement of national labor laws and the outcomes on children	23%
	Expected years of schooling (UNDP Education Index)	Level of educational attainment in the country. UNDP's definition: Number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child's life.	10%
	Country developed a list of hazardous child labor tasks	Researched information from ILO on whether there is a national list of hazardous tasks prohibited for children pursuant to ILO Convention no. 182	7%
	Risk in practice score		60%
Forced labor	The index identifies countries where there is a perceivable risk that products may be produced under working conditions amounting to forced labor, including human trafficking. Forced labor is defined as any work which is exacted under menace of penalty and which has not been entered into voluntarily.		
	3P Anti Trafficking Index	This measure evaluates governmental anti-trafficking efforts along three policy dimensions: prevention, prosecution, and protection.	2.5%
	United States Department of State Trafficking In Persons report	Countries are assigned to a 'tier category' by the US Department of State based on whether anti-trafficking efforts (laws, enforcement, and victim rehabilitation) are in line with international norms.	2.5%
	Fund For Peace: Group Grievance	Used as a proxy for minority rights and vulnerability.	5%
	World Justice Project Rule of Law Index	Rule of law tells us how likely it is that would-be wrongdoers are sanctioned for breaking the law.	7.5%
	World Bank GNI per capita Atlas Method	This measure compares the average Gross National Income (GNI) per capita across each country in purchasing power parity PPP\$ international dollars.	7.5%
	Informality index (Ergon)* Note: this is not a continuously updated data source but is expected to remain current until 2023-2025 or until a newer index is developed by another source. Raw scores are contained in each tool <i>*this index is not publicly available</i>	Reflecting the complexity of informality, a composite index 'Informal Economy' was developed to provide an indication of the prevalence of informal employment, the size of the informal economy, and informality drivers in each country. The first step involved creating an average score between 0-1 of the five indicators of informality, e.g. 'self-employment', 'informal economy and its size', 'informal employment' and 'family work', as all five indicators are on a comparable scale in relation to total employment, total firms, or the size of the economy. The 'family work' indicator was adjusted on 100%, in order to be comparable to the other indicators.	5%



Theme	Data sources	Description	Weighting
	Migration / recruitment risk (Ergon)* Note: this is not a continuously updated data source but is expected to remain current until 2023-2025 (est.) or until a newer index is developed by another source. Raw scores are contained in each tool) <i>*this index is not publicly available</i>	The ranking combines data on the number of workers that arrive at destination countries from sending countries where migrants are commonly charged fees for placement, or where desk research suggests that there is a high incidence of debt bondage and fee-linked forced labor. The final score is function of: <ul style="list-style-type: none"> • Total number of migrants from fee charging countries • Ratio between the number of migrants from fee charging countries to the receiving country's total labor force • The number of 'significant' migration routes into the destination country (defined as each country that send more than 10,000 people to a given country), which traffickers and recruitment agencies could abuse from 	10%
	Risk in practice score		60%

DATA SOURCES: RISK IN PRACTICE

The two risk in practice scoring templates produced for child labor (CL) and forced labor (FL) are designed to draw on the Rainforest Alliance's knowledge about the crop and production processes. Risk in practice is scored using data collected from a set of structured questions to account for key risk drivers and root causes. The risk in practice template is intended for use across all crops and commodities in the Rainforest Alliance's portfolio but at the time of writing this guidance it has only been used for tea, coffee, cocoa and bananas. This risk in practice scoring exercise produces a score based on a series of binary decisions made taking multiple factors into consideration. For more details, please see [Annex 1](#) & [Annex 2](#).

- Whether the production processes, conditions of work, or other context factors in the sector produce a risk
- Whether there are recent reports (published less than five years ago), either by Rainforest Alliance or other organizations that provide examples of specific cases in the sector and/or the country's agricultural sector & whether the risk appears to tend towards isolated cases or a widespread phenomenon.



SCORING

Structural risk: sub-steps

1) **Produce the raw score:** Data for these assessments are processed relative to the highest scores within a global dataset, which does lead to some clustering of scores where a target country list (the list of countries for which you are assessing risk) contains countries concentrated towards the middle of a dataset. The step required for this stage is to divide each country score by the maximum score within the dataset (drawn from the source data of more than 150 countries) in line with the formulas used in the assessment.

$$\text{Country score} / \text{MAX score within wider dataset} = \text{raw score (0-1)}$$

2) **Assign the weightings:** This step requires multiplication of the (individual) raw scores and their weightings. This is done by multiplying the % weighting for each individual indicator by the raw score:

$$\text{Rescaled score} = \text{Raw score (0-1)} * \text{weighting}$$

- NOTE: some indicators need to be inversed to be consistent with others (e.g. for some proxy indicators, the highest score is high risk and for others the opposite may be true). The assessment at present use inverses to ensure all indicators reflect the following: the higher the score, the higher the perceived risk in a given country. The formula for inverting data is:

$$\text{Inversed rescaled score} = 1 - (\text{raw score})$$

3) **Produce Structural risk score:** the final Structural risk score is the sum of all weighted individual index score, ranging between 0 and 4.

Risk in practice: sub-steps

- 1) For each country, each question is answered yes/no on balance of probability.
- 2) According to the answers given, each question is assigned either a 0 or a 1, except in the case for risk in practice, where the answer parameters include 0, 1, 2, or 3.
- 3) The final score is a sum of all individual answers, being rescaled to a score of 6.

Overall risk score

The overall country-sector risk score is the sum of the Structural risk and the Risk in practice scores, with a total possible score ranging between 0-10.

$$\text{Overall country-sector risk score (0-10)} = \text{Structural risk score (0-4)} + \text{Risk in practice score (0-6)}$$

These risk maps present risks at a country level, and not on a sub-national or individual producer level. They rely in part on data provided by third parties and are subject to further revision and refinement. The purpose of these risk maps is to adapt mitigation actions to risk context and to adapt requirements and assurance activities based on risk levels. They are not designed to indicate the presence or absence of the indicated issues in a country, to make sourcing decisions, or for any other purpose.

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ANNEX 1. RISK IN PRACTICE – CHILD LABOR

Risk in practice: Child labor	Code
Structural factors	
Does the crop involve work at heights, dangerous tools or carrying of heavy loads?	Yes=1
Do family members regularly provide the main source of labor on farms?	Yes=1
Are producers in the sector mainly smallholders? (70%+ total # producers)	Yes=1
Are any of the following activities : harvest, planting, crop protection and other field activities (e.g. clearing, pruning, etc.) conducted mainly by hand?	Yes=1
Context risk factors	Code
Is it likely that farmers or hired workers will experience any of the following: extreme poverty (income less than PPP\$ 1.90/person/day) or evidence of undernourishment [Where production regions fall within geographies indicated as extreme poor (United Nations Development Program/World Bank/Food and Agriculture Organization) or where undernourishment/malnutrition is widespread (FAO, others)]	Yes=1
Have there been any global/national programs (<10 years) set up specifically to prevent or address child labor in this crop?	Yes=0 No=1
Potable water availability: does all or part of this crop's growing region fall into a zone of 'extremely' high water stress or lack of an improved water source? (reference to World Resources Institute Water Risk Atlas - Unimproved/No Drinking Water: Extremely High) Source: Water Risk Atlas	Yes=1
Reported risks	Code
Have there been multiple recent (<5 years) reported cases of systemic/widespread occurrence of underage child labor/hazardous child labor, in this crop in this country? (3 points)	Yes=3
Have there been recent (< 5 years) reported cases of isolated incidents of underage child labor/hazardous child labor with no indication that the problem is systemic in this crop in this country? (2 points)	Yes=2
If no reported cases in this crop in this country have been reported recently (<5 years), have there been multiple recent (<5 years) reported cases of systemic/widespread occurrence of underage child labor/hazardous child labor in agriculture in this country? (1 point)	Yes=1
Have there been no recent (< 5 years) reported cases of systemic occurrence of underage child labor/hazardous child labor in agriculture in general in this country? (0 point)	Yes=0



ANNEX 2. RISK IN PRACTICES – FORCED LABOR

Risk in practice: Forced labor	Code
Labor structure & conditions of work	
Does the crop in this country rely mainly on manual labor for any of the following activities: land preparation, sowing, weeding, harvest, crop protection?	Yes=1
Is temporary labor relied upon during periods of peak labor needs on all or a substantial part of the farms of this crop in this country?	Yes=1
Are third party labor recruiters regularly involved in the recruitment and supply of workers for peak production periods?	Yes=1
Does at least 50% of total production of the crop come from medium/large farms that hire labor?"	Yes = 1
Would you say that at least 50% of workers in the sector (including seasonal/temporary workers) are <u>informal</u> (without formal contracts)?	Yes = 1
In this sector and country, are the following types of labor used: prison labor, military labor, or labor of workers in detention or rehabilitation centers?	Yes = 1
Are the majority of workers in this sector paid by piece rate/volume?	Yes = 1
In this sector, do producers rely in whole or in large part on laborers who come from different nationality or minority ethnic/social groups than their employers or supervisors?	Yes=1
Reported risks	Code
Have there been multiple recent (< 5 years) reported cases of systemic/widespread occurrence of forced labor/human trafficking/slavery and related practices, in this crop in this country? (3 points)	Yes=3
Have there been recent (<5 years) reported cases of isolated incidents of forced labor/human trafficking/slavery and related practices, with no indication that the problem is systemic in this crop in this country? (2 points).	Yes=2
If no reported cases (< 5 years) in this crop in this country have been reported, have there been multiple recent reported cases of systemic/widespread occurrence of forced labor/human trafficking/slavery and related practices, in agriculture in this country? (1 point)	Yes=1
Have there been no recent (< 5 years) reported cases of systemic occurrence of forced labor/human trafficking/slavery and related practices in agriculture in general in this country? (0 points)	Yes=0