SRA

SLAVERY & TRAFFICKING RISK TEMPLATE (STRT)

VERSION 2.1

SCORING GUIDE

Table of Contents

PART 1: OVERVIEW 2

- Purpose of This Guide 2
- Introduction to Scoring With the Slavery & Trafficking Risk Template (STRT) 2
- Scoring at a Glance 3

PART 2: GENERATING A HUMAN TRAFFICKING & SLAVERY RISK SCORE 4

- Introduction 4
- Supplier Categorization 4
- Risk Scoring Methodology 5
- Risk Scoring Algorithms 6
- Sample Approach A 7
- Sample Approach B 17

PART 3: GENERATING A US FEDERAL ACQUISITION REGULATION FINAL RULE ON COMBATING TRAFFICKING IN PERSONS (52.222-50) COMPLIANCE STATUS 26

- Introduction 26
- Supplier Categorization 26
- Compliance Status Methodology 27
- Compliance Status Algorithm 28

PART 4: GENERATING A RISK STATUS ON LINKS TO THE XINJIANG UYGHUR AUTONOMOUS REGION OF CHINA 30

- Introduction 30
- Supplier Categorization 30
- Compliance Status Methodology 30

PART 5: GENERATING A TITLE III OF CAATSA COMPLIANCE STATUS 31

- Introduction 31
- Supplier Categorization 31
- Compliance Status Methodology 32

PART 6: GENERATING A CODE OF CONDUCT COMPLIANCE STATUS 33

PART 1: OVERVIEW

Purpose of This Guide

This guide aims to help your organization score data it has collected from suppliers using the Slavery and Trafficking Risk Template (STRT). While collecting the data itself is an important undertaking, scoring the data will allow you to action your findings to drive change within your supply chain.

Introduction to Scoring With the Slavery & Trafficking Risk Template

The STRT collects data from the supply chain on indicators of human trafficking and slavery risk, and compliance with relevant legislation. Once your suppliers have returned the survey, and you've verified any supporting documentation, you can apply a scoring methodology to better understand which suppliers are at risk, and where to follow up.

Organizations can generate scores on a range of different parameters, as described in this guide, using data collected from their suppliers via the STRT. Risk scoring allows organizations to prioritize suppliers for follow-up risk mitigation and preventive action, and track supplier progress quantitatively over time. Both benefits contribute to strong reporting, enabling organizations to disclose annual, data-driven due diligence performance to regulatory bodies, investors, consumers, and other stakeholders.

Scoring at a Glance

Organizations can generate scores on a range of different parameters using data collected from their suppliers via the STRT. These parameters include the following:

HUMAN TRAFFICKING & SLAVERY RISK

What does it measure?

A supplier's vulnerability to trafficked and slave labour occurring in their own operations and/or in their supply chain.

How are suppliers categorized?

Low-risk (no perceived inherent risk), low-risk (adequate risk control), medium-risk, and high-risk.

COMPLIANCE WITH THE US FEDERAL ACQUISITION REGULATION (FAR) FINAL RULE ON COMBATING TRAFFICKING IN PERSONS (52.222-50)

What does it measure?

An indication of a supplier's compliance with the US FAR Final Rule on Combating Trafficking in Persons (52.222-50).

How are suppliers categorized?

Indication of non-compliance, indication of compliance, and indeterminate.

LINKS TO THE XINJIANG UYGHUR AUTONOMOUS REGION (XUAR) OF CHINA

What does it measure?

The risk of a supplier having operational and/or supply chain links to the Xinjiang Uyghur Autonomous Region (XUAR) of China.

How are suppliers categorized?

Confirmed links, high-risk, medium-risk, low-risk.

COMPLIANCE WITH TITLE III OF THE COUNTERING AMERICA'S ADVERSARIES THROUGH SANCTIONS ACT

What does it measure?

An indication of a supplier's compliance with Title III of the Countering America's Adversaries Through Sanctions Act (CAATSA).

How are suppliers categorized?

Indication of non-compliance, indication of compliance, and indeterminate.

COMPLIANCE WITH A SUPPLIER CODE OF CONDUCT

What does it measure?

A supplier's compliance with an organization's supplier code of conduct.

How are suppliers categorized?

Indication of non-compliance, compliance, and indeterminate.

PART 2: GENERATING A HUMAN TRAFFICKING & SLAVERY RISK SCORE

Introduction

Organizations can use data collected from their suppliers using the STRT to generate a human trafficking and slavery risk score.

The below outlines different supplier categorizations, as well as a step-by-step risk-scoring methodology for generating a human trafficking and slavery risk score. It also identifies various guiding principles for organizations to follow when defining their own risk scoring algorithm. As examples, it includes two sample algorithms that organizations can implement or adapt based on their own needs, risk tolerance, and priorities.

Supplier Categorization

The slavery and human trafficking risk scoring methodology described below sorts suppliers into four different categories, with the following interpretations.

Suppliers operating in a low-risk industry, low-risk geography with a low-risk workforce have:

- No indication of inherent risk → **low-risk (no perceived inherent risk)**

Suppliers operating in a high-risk industry, high-risk geography, and/or with a high-risk workforce (perceived inherent risk) with policies, practices, and procedures in place that:

- Adequately control risk → **low-risk (adequate risk control)**
- Partially control risk → **medium-risk**
- Do not adequately control risk → **high-risk**

For ease of reference, please see below for an overview of these four risk categories and their meaning:

		PERCEIVED INHERENT RISK	
		Yes	No
RISK CONTROL	Adequate	Low-Risk (Adequate Risk Control)	Low-Risk (No Perceived Inherent Risk)
	Partial	Medium-Risk	Low-Risk (No Perceived Inherent Risk)
	Inadequate	High-Risk	Low-Risk (No Perceived Inherent Risk)

Risk Scoring Methodology

The below presents a step-by-step methodology for categorizing suppliers into the four slavery and human trafficking risk categories described above.

Step 1: Is the Supplier Operating in a Low-Risk Geography, Low-Risk Industry With a Low-Risk Workforce?

STRT Questions 1 to 9: Screening and Prioritization evaluate risk inherent to a supplier's geography, industry, and workforce. The cumulative score for these questions determines whether further investigation is needed to assess how well the supplier is managing the risk of slavery and human trafficking in its operations and supply chain. If a supplier's responses to Questions 1 to 9 fall below the assigned threshold, the supplier is categorized as low-risk due to its low inherent risk. If it exceeds the threshold, scoring advances to Step 2.

Step 2: Is the Supplier Adequately Controlling for Risk?

Questions 10 to 24 in the STRT assess how well the supplier is controlling for risk. The cumulative score for these questions determines whether the supplier is adequately controlling for risk.

If a supplier's responses to Questions 10 to 24 fall below the assigned threshold, the supplier is categorized as low-risk due to the adequacy of its risk mitigation practices, policies, and procedures. If it exceeds the threshold, scoring advances to Step 3.

You'll note that a supplier is only eligible for this low-risk category if it has strong policies, practices, and procedures in place to mitigate and prevent risk. The number of points acquired from Questions 1 through 9 is irrelevant to this calculation, and is used instead to indicate that this calculation is needed due to the presence of inherent risk.

Users have the option of adding further nuance to their evaluations by assessing operational risk, supply chain risk, and labour supply chain risk separately. This would require an assessment of inherent risk across all three categories paired with an assessment of the strength of the suppliers' controls relevant to each.

Step 3: Is the Supplier Partially Controlling for Risk?

The cumulative score for Questions 1 to 24 in the STRT, which assesses both the supplier's inherent risk and risk management practices, determines whether the supplier is categorized as medium-risk or high-risk.

If a supplier's responses to Questions 1 to 24 exceed the number of points required to be categorized as a medium-risk supplier, the supplier is automatically categorized as high-risk; otherwise, it is medium risk. This approach provides a holistic picture of a supplier's risk level by considering a supplier's risk exposure and the adequacy of its management practices *together.*

Risk Scoring Algorithms

A. SETTING THE THRESHOLD

The threshold between the four different risk categories can be set high or low, depending on an organization's risk tolerance, prior actions, priorities, and other factors. When setting these thresholds, organizations should follow these guiding principles.

Guiding Principles for Setting the Threshold

- **Trigger Questions:** Organizations can choose to designate one or more questions in the STRT as "trigger questions," whereby a specific response to a "trigger question" disqualifies a supplier from a particular risk category. For example, if an organization sets the threshold for low-risk (no perceived inherent risk) at nine points and assigns 10 points to Question 1 (the "trigger question"), a single risk response for Question 1 would move the supplier out of the low-risk category. This strategy can, of course, be used on an aggregate level with more than one question.
- **Useful Spread:** Organizations can choose to adjust the threshold between medium and high-risk until they achieve a useful spread between the two risk categories. This way, organizations can identify a manageable number of high-risk suppliers to prioritize and target for their risk mitigation and prevention outreach efforts. Organizations are cautioned against using this principle for the two low-risk thresholds in order to preserve the meaning of these two categories.
- **Integrity of Supplier Categorizations:** When setting the threshold between the four risk categories, organizations should do so in a manner that ensures each supplier category retains its original meaning and/or is updated to reflect the new meaning. In other words, the threshold for the low-risk (no perceived inherent risk) category should be set in a way that only includes suppliers "operating in a low-risk geography, low-risk industry with a low-risk workforce," or else it needs to be revised. Similarly, the threshold for the other low-risk category (adequate risk control) should be set in a way that only includes suppliers that "adequately control risk." The medium-risk and high-risk categories allow for more subjective interpretation and, as a result, are more adaptable.

B. POINT ALLOCATION

The points assigned to various responses can be set high or low depending on an organization's needs and priorities, including risks present in their sector. When defining point allocation, organizations should follow these guiding principles.

Guiding Principles for Allocating Points

- **Missing Responses:** When a question requiring a response is left blank, the supplier should receive the higher risk score for the response.
- **Non-Congruence:** When a response is given that is incompatible with a response to another question, both responses should receive the higher-risk score.

- **Question Weighting:** Points are allocated based on the impact each question has on slavery and human trafficking risk. Some questions have no relevance to slavery and human trafficking risk, and instead relate to a separate risk scoring category, and should therefore be allocated zero points.
- **Supporting Documentation:** Points are deducted when adequate supporting documentation is not given. When possible, organizations should review supporting documentation to confirm its adequacy.

Human Trafficking & Slavery Risk Scoring Algorithm: Worksheet

Fill out the template for your organization's risk scoring algorithm here.

C. RISK SCORING ALGORITHMS: TWO SAMPLE APPROACHES

The below identifies two possible approaches to assigning points to questions in the STRT, as well as different thresholds for each risk category. An explanation and interpretation follows the tables. These sample risk scoring approaches are not intended to be prescriptive, but rather to serve as examples for an organization when designing its own risk scoring algorithm.

Sample Approach A

1. SCENARIO

Organization Alpha operates in a sector where slavery and human trafficking risk is known to manifest itself among the organization's first-tier suppliers and beyond. It is interested in gaining an understanding of its suppliers' vulnerability to trafficked and slave labour occurring in their operations and supply chain. It is risk averse, so has designed its methodology to err on the side of higher risk rather than lower risk. It is satisfied with basing country risk ratings on the findings of the latest US Department of State's Trafficking in Persons Report.

2. OVERVIEW

a. Low-Risk (No Perceived Inherent Risk) Category

In *Sample Approach A*, the threshold for a supplier to be considered low-risk is set at below 2.5 points. Points for Questions 1, 2, 4, and 6 are assigned in such a manner that a single answer of "Yes" to any one of them exceeds the number of points required to be categorized as a low-risk (no perceived inherent risk) supplier. This automatically places the supplier into the low-risk (adequate risk control), medium-risk, or high-risk category, based on how they score on the rest of the STRT. In this way, Questions 1, 2, 4, and 6 are "trigger questions."

As with the rest of the questions in the STRT, points for Questions 1 to 9 are allocated in a way that reflects the impact of each question on slavery and human trafficking risk. They are also allocated in a manner that gives similar weight to questions in the STRT relating to risk in a supplier's operations and supply chain.

b. Low-Risk (Adequate Risk Control) Category

The threshold for a supplier to be considered low-risk (adequate risk control) is set at nine points. Points for Questions 10 through 24 are assigned in such a manner that a single risk response (e.g. "No" response) to Questions 12, 13, and 16

exceeds this threshold and automatically places the suppliers into the medium-risk or high-risk category, based on how they score on the rest of the STRT. In this way, Questions 12, 13, and 16 are "trigger questions." They move the supplier out of the low-risk (adequate risk mitigation) category when there is a single instance of a risk response.

As with the rest of the questions in the STRT, points for Questions 10 through 24 are allocated in a way that reflects the impact of each question on slavery and human trafficking risk. They are also allocated in a manner that gives similar weight to questions in the STRT relating to risk in a supplier's operations and supply chain.

c. Medium & High-Risk Category

The threshold for a supplier to be considered medium-risk is set at 40 points. To ensure supply chain risk is adequately considered, points for Questions 1 to 24 are assigned in such a manner that a supplier with risk scores for every supply chain-related question (Questions 2, 4B, 7, 13, 14, 15, 16, 17b, 17c, 17d, 18, 20, and 23) would exceed 40 points and be categorized as high-risk.

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
1	Selection of one or more countries categorized as Tier 2, Tier 2 Watchlist, Tier 3, or Special Cases	-	5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	5 points	
	Selection of countries categories as Tier 1	-	0 points	
2	Yes	-	5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	5 points	
	No	-	0 points	
	N/A — We do not work with any suppliers	-	0 points	
3	Yes	-	0 points	Contributes to points through dependencies via other questions in the template.
	Blank	-	0 points	
	No	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
4A	Yes	-	2.5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	2.5 points	
	No	-	0 points	
4B	Yes	-	2.5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	2.5 points	
	No	-	0 points	
	Unknown	-	2.5 points	
	N/A — We do not work with any suppliers	-	Unknown	
5	1–100	-	0 points	Allows users to take scale (number of impacted people) into account.
	101–1,000	-	0 points	
	1,001–2,000	-	0 points	
	2,001–5,000	-	0 points	
	5,001–10,000	-	0 points	
	More than 10,000	-	0 points	
	Blank	-	0 points	
6	Yes	-	6.5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	6.5 points	
	No	-	0 points	
7	Yes	-	0 points	
	No, our recruiters do not hire subcontractors to recruit workers	-	0 points	
	Blank	-	2 points	
	N/A — We do not use recruiters	-	0 points	
	We don't know if our recruiters hire subcontractors to recruit workers	-	2 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
8	Yes	-	0 points	Contributes to points through dependencies via other questions in the template.
	Blank	-	0 points	
	No	-	0 points	
9	Yes	-	0 points	Contributes to points through dependencies via other questions in the template.
	Blank	-	0 points	
	No	-	0 points	
	Unknown	-	0 points	
	N/A — We do not work with any suppliers	-	0 points	
10a	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
10b	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
10c	No	-	2.5 points	
	Blank	-	2.5 points	
	Yes	Yes	0 points	
10d	No	-	2 points	
	Blank	-	2 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters	-	0 points	
10e	No	-	2.5 points	
	Blank	-	2.5 points	
	Yes	Yes	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
10f	Yes, broadly and/or only when required by law or by contract	-	0 points	Question relates to FAR compliance
	Blank	-	0 points	
	No	-	0 points	
11a	No	-	2 points	
	Blank	-	2 points	
	Yes	Yes	0 points	
	N/A — We do not hire foreign migrant workers	-	0 points	
11b	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
	N/A — We do not provide or arrange housing	-	0 points	
11c	No	-	2 points	
	Blank	-	2 points	
	Yes	Yes	0 points	
11d	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
11e	No	-	2 points	
	Blank	-	2 points	
	Yes, but only when required by law or by contract	Yes	2 points	
	Yes, and this applies to all employees, even when not required by law or by contract	Yes	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
11f	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
12	No (or Blank) if Question 8 and/ or Question 3 is answered Yes	-	9.5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category if they are at high-risk of operational links to the XUAR (or confirmed links)
	No (or Blank) if Question 8 and Question 3 are answered No	-	0 points	
	No (or Blank) if Question 8 and/or Question 3 is left Blank	-	9.5 points	
	Yes	Yes	0 points	
	N/A — We do not hire foreign or domestic migrant workers	-	0 points	
13	No (or Blank) if Question 9 is answered No	-	6 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category (as it would also warrant four points for Question 14 and one point for Question 15)
	No (or Blank) if Question 9 is answered Yes (or blank or Unknown)	-	9.5 points	
	Yes if Question 12 is answered No (or blank or N/A) and Question 9 is answered Yes (or blank or unknown)	-	9.5 points	
	Yes if Question 12 is answered No (or blank or N/A) and Question 9 is answered No	Yes	0 points	
	Yes if question 12 is answered Yes	Yes	0 points	
	N/A — We do not work with any suppliers	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
14	No	-	4 points	
	Blank	-	4 points	
	Yes if Question 13 is answered No	-	4 points	Incongruent
	Yes if Question 13 is answered Yes	Yes	0 points	
	Yes if Question 13 is left blank	-	4 points	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered N/A	-	0 points	
	"N/A — We do not work with any suppliers" if Question 13 is answered Yes	-	4 points	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered No	-	4 points	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is left blank	-	4 points	Incongruent

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
15	No	-	1 point	
	Blank	-	1 point	
	Yes if Question 13 is answered No	-	1 point	Incongruent
	Yes if Question 13 is answered Yes	-	0 points	
	Yes if Question 13 is left blank	-	1 point	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered N/A	-	0 points	
	"N/A — We do not work with any suppliers" if Question 13 is answered Yes	-	1 point	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered No	-	1 point	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is left blank	-	1 point	Incongruent
16	No	-	9.5 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category
	Blank	-	9.5 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters	No	0 points	
17a	No	-	2.5 points	Trigger question: If the respondent scores an overall score of 10 for question 13, risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category
	Blank		2.5 points	
	Yes	Yes	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
17b	No	-	2.5 points	Trigger question: If the respondent scores an overall score of 10 for Question 13, risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category
	Blank	-	2.5 points	
	Yes	Yes	0 points	
	N/A — We do not work with any direct suppliers	-	0 points	
17c	No	-	2.5 points	
	Blank	-	2.5 points	
	Yes	Yes	0 points	
	N/A — We do not work with any indirect suppliers	-	0 points	
17d	No	-	1.5 points	
	Blank	-	1.5 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters/Our recruiters do not use subcontractors	-	0 points	
18	No	-	2.5 points	
	Blank	-	2.5 points	
	Yes if all questions under Question 17 are answered No (some may be answered N/A)	-	2.5 points	Incongruent
	Yes if one or more questions under Question 17 are answered Yes	Yes	0 points	
	Yes if all questions under Question 17 are left blank	-	2.5 points	Incongruent
19	No	-	2.5 points	
	Yes	Yes	0 points	
	Blank	-	2.5 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
20	No	-	5 points	
	Blank	-	5 points	
	Yes	Yes	0 points	
21	No	-	2.5 points	
	Blank	-	2.5 points	
	Yes	Yes	0 points	
22	No	-	2.5 points	
	Blank	-	2.5 points	
	Yes	Yes	0 points	
23	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
	N/A — We do not use recruiters	-	0 points	
24	Yes	-	0 points	Question relates to compliance with public disclosure regulations
	No	-	0 points	
	Blank	-	0 points	
Cumulative score			**100 Points**	

	THRESHOLDS			
	Low-Risk (No Perceived Inherent Risk)	**Low-Risk (Adequate Risk Control)**	**Medium-Risk**	**High-Risk**
Sample Approach A	Cumulative score for Questions 1 to 9: Below 2.5 points	Cumulative score for Questions 9 to 24: 9 points or below	Cumulative score for Questions 1 to 24: 40 points or below (out of a possible 100 points)	Cumulative score for Questions 1 to 24: Greater than 40 points (out of a possible 100 points)

Sample Approach B

1. SCENARIO

Though Organization Beta operates in a sector where slavery and human trafficking risk is known to manifest itself among its first-tier suppliers, it is confident its suppliers are adequately controlling for risk in their own operations. It is instead more interested in assessing how well its suppliers are controlling for risk among their own direct and indirect suppliers, and has developed its scoring methodology accordingly. It is risk averse, so has designed its methodology to err on the side of higher risk rather than lower risk. It uses a different source for its country risk rankings, and included its findings within its scoring algorithm.

2. OVERVIEW

a. Low-Risk (No Perceived Inherent Risk) Category

In *Sample Approach B*, the threshold for a supplier to be considered low-risk (no perceived inherent risk) is set at below eight points. Points for Questions 1 to 9 are assigned in such a manner that a single answer of "Yes" to Questions 2 and 4B exceeds the number of points required to be categorized as a low-risk (no perceived inherent risk) supplier. This automatically places the supplier into the low-risk (adequate risk control), medium-risk, or high-risk category, based on how they score on the rest of the STRT. In this way, Questions 2 and 4B are "trigger questions."

In *Sample Approach B*, Organization Beta revises the meaning of the low-risk (not perceived inherent risk) category to reflect its scoring approach. The updated meaning of the category is "suppliers whose suppliers operate in a low-risk industry and a low-risk geography".

As with the rest of the questions in the STRT, points for Questions 1 through 9 are allocated in a way that places greater weight on questions relating to the suppliers' supply chain (in this case, Questions 2 and 4B).

b. Low-Risk (Adequate Risk Control) Category

The threshold for a supplier to be considered low-risk (adequate risk control) is set at below seven points. Points for Questions 10 to 24 are assigned in such a manner that Questions 13, 17, 18, and 20 can each exceed this threshold, placing the suppliers into the medium-risk or high-risk category, based on how they score on the rest of the STRT. In this way, Questions 13, 17, 18, and 20 are "trigger questions."

As with the rest of the questions in the STRT, points for Questions 10 through 24 are allocated in a way that reflects the impact of the question on controlling for slavery and human trafficking risk while placing greater weight on questions relating to the supplier's supply chain (in this case, Questions 13, 14, 15, 17B, 17C, 18, and 20).

c. Medium & High-Risk Category

The threshold for a supplier to be considered medium-risk is set at 62 points. Points for Questions 1 to 24 are assigned in such a manner that a supplier with risk scores for every supply chain-related question (Questions 2, 4B, 13, 14, 15, 17B, 17C, 18, and 20) would exceed 62 points and be categorized as high-risk.

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
1	Selection of one or more high-risk countries	-	3 points	
	Selection of one or more medium-risk countries (and no high-risk countries)	-	2 points	
	Blank	-	3 points	
	Selection of one or more low-risk countries (and no high or medium-risk countries)	-	0 points	
2	Yes	-	8 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	8 points	
	No	-	0 points	
	N/A — We do not work with any suppliers	-	0 points	
3	Yes	-	0 points	Contributes to points through dependencies via other questions in the template.
	Blank	-	0 points	
	No	-	0 points	
4A	Yes	-	3 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	3 points	
	No	-	0 points	
4B	Yes	-	8 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (no perceived inherent risk)" category
	Blank	-	8 points	
	No	-	0 points	
	Unknown	-	8 points	
	N/A — We do not work with any suppliers	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
5	1–100	-	0 points	Allows users to take scale (number of impacted people) into account.
	101–1,000	-	0 points	
	1,001–2,000	-	0 points	
	2,001–5,000	-	0 points	
	5,001–10,000	-	0 points	
	More than 10,000	-	0 points	
	Blank	-	0 points	
6	Yes	-	3 points	
	Blank	-	3 points	
	No	-	0 points	
7	Yes	-	6 points	
	No, our recruiters do not hire subcontractors to recruit workers	-	0 points	
	Blank	-	6 points	
	N/A — We do not use recruiters	-	0 points	
	We don't know if our recruiters hire subcontractors to recruit workers	-	6 points	
8	Yes	-	2 points	
	Blank	-	0 points	
	No	-	0 points	
9	Yes	-	0 points	Contributes to points through dependencies via other questions in the template.
	Blank	-	0 points	
	No	-	0 points	
	Unknown	-	0 points	
	N/A — We do not work with any suppliers	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
10a	No	-	0.5 point	
	Blank	-	0.5 point	
	Yes	Yes	0 points	
10b	No	-	0.5 point	
	Blank	-	0.5 point	
	Yes	Yes	0 points	
10c	No	-	2 points	
	Blank	-	2 points	
	Yes	Yes	0 points	
10d	No	-	1.5 points	
	Blank	-	1.5 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters	-	0 points	
10e	No	-	2 points	
	Blank	-	2 points	
	Yes	Yes	0 points	
10f	Yes, broadly and/or only when required by law or by contract	-	0 points	Question relates to FAR compliance
	Blank	-	0 points	
	No	-	0 points	
11a	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
	N/A — We do not hire foreign migrant workers	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
11b	No	-	0.5 point	
	Blank	-	0.5 point	
	Yes	Yes	0 points	
	N/A — We do not provide or arrange housing	-	0 points	
11c	No	-	1.5 points	
	Blank	-	1.5 points	
	Yes	Yes	0 points	
11d	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
11e	No	-	1.5 points	
	Blank	-	1.5 points	
	Yes, but only when required by law or by contract	Yes	1.5 points	
	Yes, and this applies to all employees, even when not required by law or by contract	Yes	0 points	
11f	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
12	No	-	1 point	
	Blank	-	1 point	
	Yes	Yes	0 points	
	N/A — We do not hire foreign or domestic migrant workers	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
13	No (or Blank) if Question 9 is answered No	-	6 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category (as it would also warrant three points for Question 14 and one point for Question 15)
	No (or Blank) if Question 9 is answered Yes (or blank or Unknown)	-	8.5 points	
	Yes if Question 12 is answered No (or blank or N/A) and Question 9 is answered Yes (or blank or unknown)	-	8.5 points	
	Yes if Question 12 is answered No (or blank or N/A) and Question 9 is answered No	Yes	0 points	
	Yes if Question 12 is answered Yes	-	0 points	
	N/A — We do not work with any suppliers	-	0 points	
14	No	-	3 points	
	Blank	-	3 points	
	Yes if Question 13 is answered No	-	3 points	Incongruent
	Yes if Question 13 is answered Yes	Yes	0 points	
	Yes if Question 13 is left blank	-	3 points	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered N/A	-	0 points	
	"N/A — We do not work with any suppliers" if Question 13 is answered Yes	-	3 points	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered No	-	3 points	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is blank	-	3 points	Incongruent

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
15	No	-	1 point	
	Blank	-	1 point	
	Yes if Question 13 is answered No	-	1 point	Incongruent
	Yes if Question 13 is answered Yes	Yes	0 points	
	Yes if Question 13 is left blank	-	1 point	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered N/A	-	0 points	
	"N/A — We do not work with any suppliers" if Question 13 is answered Yes	-	1 point	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is answered No	-	1 point	Incongruent
	"N/A — We do not work with any suppliers" if Question 13 is blank	-	1 point	Incongruent
16	No	-	3 points	
	Blank	-	3 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters	-	0 points	
17a	No	-	0 points	Trigger question: If the respondent scores an overall score of 7 for Question 13, risk response automatically moves the supplier out of the "low risk (adequate risk control)" category
	Blank	-	0 points	
	Yes	Yes	0 points	
17b	No	-	7 points	
	Blank	-	7 points	
	Yes	Yes	0 points	
	N/A — We do not work with any direct suppliers	-	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
17c	No	-	7 points	Trigger question: If the respondent scores an overall score of 7 for Question 13, risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category
	Blank	-	7 points	
	Yes	Yes	0 points	
	N/A — We do not work with any indirect suppliers	-	0 points	
17d	No	-	0 points	
	Blank	-	0 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters/ Our recruiters do not use sub-contractors	-	0 points	
18	No	-	7 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category
	Blank	-	7 points	
	Yes if all questions under Question 17 are answered No (some may be answered N/A)	-	7 points	Incongruent
	Yes if one or more questions under Question 17 are answered Yes	Yes	0 points	
	Yes if all questions under Question 17 are left blank	-	7 points	Incongruent
19	No	-	1 point	
	Yes	Yes	0 points	
	Blank	-	1 point	
20	No	-	7 points	Trigger question: Risk response automatically moves the supplier out of the "low-risk (adequate risk control)" category
	Blank	-	7 points	
	Yes	Yes	0 points	

STRT QUESTION	STRT QUESTION RESPONSE	SUPPORTING DOCUMENTATION?	POINTS	NOTES
21	No	-	3.5 points	
	Blank	-	3.5 points	
	Yes	Yes	0 points	
22	No	-	3 points	
	Blank	-	3 points	
	Yes	Yes	0 points	
23	No	-	2 points	
	Blank	-	2 points	
	Yes	Yes	0 points	
	N/A — We do not use recruiters	-	0 points	
24	Yes	-	0 points	Question relates to compliance with public disclosure regulations
	No	-	0 points	
	Blank	-	0 points	
Cumulative score			**100 Points**	

	THRESHOLDS			
	Low-Risk (No Perceived Inherent Risk)	**Low-Risk (Adequate Risk Mitigation)**	**Medium-Risk**	**High-Risk**
Sample Approach B	Cumulative score for Questions 1 to 9: Below 8 points	Cumulative score for Questions 10 to 24: Below 7 points	Cumulative score for Questions 1 to 24: 62 points or below (out of a possible 100 points)	Cumulative score for Questions 1 to 24: Greater than 62 points (out of a possible 100 points)

PART 3: GENERATING A US FEDERAL ACQUISITION REGULATION FINAL RULE ON COMBATING TRAFFICKING IN PERSONS (52.222-50) COMPLIANCE STATUS

Introduction

Organizations can use data collected from their suppliers using the STRT to generate a US Federal Acquisition Regulation (FAR) Final Rule on Combating Trafficking in Persons (52.222-50) compliance status (or "FAR compliance status" for short). This status is relevant for organizations subject to US FAR due to their role as contractors or subcontractors with the US federal government.

The following outlines different supplier categorizations as well as a risk scoring methodology and algorithm for generating the FAR compliance status.

Supplier Categorization

The methodology and algorithm described below for generating a FAR compliance status categorizes suppliers into three different categories, with the following interpretations.

Suppliers indicating compliance with the US FAR Final Rule on Combating Trafficking in Persons (52.222-50) → **indication of compliance**

Suppliers indicating non-compliance with the US FAR Final Rule on Combating Trafficking in Persons (52.222-50) → **indication of non-compliance**

Suppliers where compliance with the US FAR Final Rule on Combating Trafficking in Persons (52.222-50) is unknown due to an incomplete STRT → **indeterminate**

This guide is careful in qualifying the US FAR compliance status as being an *indication* of compliance due to the imperfect overlap between the requirements of US FAR and questions in the STRT. Organizations are encouraged to conduct further investigation when a supplier indicates non-compliance with US FAR before determining follow-up action.

Compliance Status Methodology

The below presents a step-by-step methodology for categorizing suppliers into the three categories described above using the following principles as guidance. The next section provides a list of FAR-related STRT questions, along with FAR compliance responses.

GUIDING PRINCIPLES

- **Hierarchy of Statuses:** Statuses have the following hierarchy: indication of non-compliance → indeterminate → indication of compliance. Suppliers advance to the next status only when they are disqualified from the previous one. The implication of this approach is as follows: a blank response (or response with an absence of valid supporting documentation) to a FAR-related question in the STRT does not automatically qualify a supplier for indeterminate status. Instead, this status is only possible if the supplier is first disqualified from "indication of non-compliance."
- **Binary:** A single occurrence of a specific value is sufficient to qualify a supplier for a specific status. In this way, a supplier with a single response indicating non-compliance with FAR is put into the same category as a supplier with 10 responses indicating non-compliance with FAR.

Step 1: Is the Supplier Indicating Non-Compliance With US FAR?

A supplier is categorized as indicating non-compliance with US FAR when there is one or more instance in which a FAR-related question in the STRT is given a response indicating non-compliance with FAR. If no such instance occurs, the supplier advances to Step 2 in the risk scoring methodology.

Step 2: Is the Supplier Providing the Information Required to Indicate Compliance With US FAR?

A supplier is categorized as indeterminate when there is one or more instance in which a FAR-related question in the STRT is left blank (or valid supporting documentation is missing) and no instances in which a FAR-related question in the STRT is given a response indicating non-compliance with FAR. If neither occur, the supplier advances to the next step in the risk scoring methodology and is automatically categorized as indicating compliance with FAR.

Step 3: Is the Supplier Indicating Compliance With US FAR?

A supplier is categorized as indicating compliance with US FAR when it has advanced past Steps 1 and 2 and has provided a response indicating compliance with FAR in every FAR-related question in the STRT.

Compliance Status Algorithm

The next section provides a list of FAR-related questions in the STRT, along with responses indicating US FAR compliance.

STRT QUESTION	RELEVANCE TO US FAR FINAL RULE ON COMBATING TRAFFICKING IN PERSONS (52.222-50)	STRT RESPONSE(S) INDICATING COMPLIANCE WITH US FAR
1	Not relevant	-
2	Not relevant	-
3	Not relevant	-
4	Not relevant	-
5	Not relevant	-
6	Not relevant	-
7	Not relevant	-
8	Not relevant	-
9	Not relevant	-
10a	Relevant (Source: 48 Code of Federal Regulations 22.1703 (a)(1) and (3))	Yes (with valid supporting documentation)
10b	Not relevant	-
10c	Relevant (Source: 48 CFR 22.1703 (a)(4))	Yes (with valid supporting documentation)
10d	Relevant (Source: 48 CFR 22.1703 (a)(5ii)	Yes (with valid supporting documentation) N/A — We do not use recruiters
10e	Relevant (Source: 48 CFR 22.1703 (a)(6))	Yes (with valid supporting documentation)
10f	Relevant (Source: 48 CFR 22.1703 (a)(2))	Yes, broadly and/or only when required by law or by contract (with supporting documentation)
11a	Relevant (Source: 48 CFR 22.1703 (a)(7))	Yes (with valid supporting documentation) N/A — We do not hire foreign migrant workers
11b	Relevant (Source: 48 CFR 22.1703 (a)(8))	Yes (with valid supporting documentation) N/A — We do not provide or arrange housing
11c	Not relevant	-
11d	Relevant (Source: 48 CFR 52.222-50 (h))	Yes (with supporting documentation)

STRT QUESTION	RELEVANCE TO US FAR FINAL RULE ON COMBATING TRAFFICKING IN PERSONS (52.222-50)	STRT RESPONSE(S) INDICATING COMPLIANCE WITH US FAR
11e	Relevant (Source: 48 CFR 22.1703 (a)(9))	Yes, but only when required by law or by contract (with supporting documentation) Yes, and this applies to all employees, even when not required by law or by contract (with supporting documentation)
11f	Not relevant	-
12	Not relevant	
13	Relevant (Source: 48 CFR 52.222-50 (i))	Yes (with supporting documentation) N/A — We do not work with any suppliers
14	Relevant (Source: 48 CFR 52.222-50 (i))	Yes (with supporting documentation) N/A — We do not work with any suppliers
15	Not relevant	-
16	Not relevant	-
17a	Not relevant	-
17b	Relevant (Source: 48 CFR 52.222-50 (h)	Yes (with supporting documentation) N/A — We do not work with any suppliers
17c	Not relevant	-
17d	Not relevant	-
18	Not relevant	-
19	Not relevant	-
20	Not relevant	-
21	Relevant (Source: 48 CFR 52:222-50 (h)	Yes (with supporting documentation)
22	Relevant (Source: 48 CFR 52.222-50 (c))	Yes (with supporting documentation)
23	Not relevant	-
24	Not relevant	-

PART 4: GENERATING A RISK STATUS ON LINKS TO THE XINJIANG UYGHUR AUTONOMOUS REGION OF CHINA

Introduction

Organizations can use data acquired with the STRT to generate a risk status on links to the XUAR. This status is relevant for organizations with supply chains in China. Paired with the human trafficking and slavery risk score, it helps users identify forced labour risks.

The below outlines different supplier categorizations as well as a risk scoring methodology and algorithm for generating the risk status. A supplier may be linked to the XUAR in a number of different ways, including by working with the XUAR government through a program that subsidizes the establishment of manufacturing facilities in the XUAR, and by receiving workers that were transferred out of the XUAR through a government-led labour transfer scheme.

The risk status does not take a suppliers' internal controls into account and, as such, is designed to be calculated alongside the human trafficking and slavery risk score to provide an assessment of forced labour risk.

Supplier Categorization

The methodology and algorithm described below for generating a risk status on links to XUAR categorizes suppliers into four different categories, with the following interpretations.

Suppliers with confirmed links to XUAR through their operations and/or supply chain ⟶ **confirmed links**

Suppliers at high-risk of links to XUAR through their operations and/or supply chain ⟶ **high-risk**

Suppliers at medium-risk of links to XUAR through their operations and/or supply chain ⟶ **medium-risk**

Suppliers at low-risk of links to XUAR through their operations and/or supply chain ⟶ **low-risk**

Compliance Status Methodology

The methodology for categorizing suppliers into the four categories described above is as follows. Suppliers advance to the next status only when they are disqualified from the previous one. When a question requiring a response is left blank, the supplier should receive the higher risk score for the response.

Suppliers are categorized as having confirmed links to XUAR if they respond "Yes" to Question 8 and/or Question 9.

Suppliers are categorized as being at high-risk for links to XUAR if they answered "Yes" to Question 3 and/or "Unknown" to Question 9.

Suppliers are categorized as being at medium-risk for links to XUAR if they selected "China" on the **Countries** tab and/or "Yes" to Question 2.

Suppliers are categorized as being at low-risk for links to XUAR if they don't satisfy the above conditions.

PART 5: GENERATING A TITLE III COUNTERING AMERICA'S ADVERSARIES THROUGH SANCTIONS ACT COMPLIANCE STATUS

Introduction

Organizations can use data acquired using the STRT to generate a Title III Countering America's Adversaries Through Sanctions Act (CAATSA) compliance status. This status is relevant for organizations importing goods, wares, merchandise, and articles into the US.

The below outlines different supplier categorizations as well as a risk scoring methodology and algorithm for generating the Title III CAATSA compliance status. This guide is careful in qualifying the Title III CAATSA compliance status as being an indication of compliance due to deceptive practices employed by North Korea to evade sanctions and other factors. Organizations must accompany the STRT with effective due diligence policies, procedures, and internal controls to ensure compliance with Title III of CAATSA.

Supplier Categorization

The methodology and algorithm described below for generating a CAATSA compliance status categorizes suppliers into three different categories, with the following interpretations.

Suppliers indicating compliance with Title III of CAATSA → indication of **compliance**

Suppliers indicating non-compliance with Title III of CAATSA → indication of **non-compliance**

Suppliers where compliance with Title III of CAATSA is unknown due to an incomplete STRT → **indeterminate**

Compliance Status Methodology

The methodology for categorizing suppliers into the three categories described above is as follows. Suppliers are categorized as indicating non-compliance if they select "Korea, North" in the **Countries** tab in response to Question 1. They are categorized as indeterminate if they fail to select countries in the **Countries** tab. They are categorized as indicating compliance if they do not select "Korea, North" in the **Countries** tab.

Organizations may also assign a CAATSA risk score based on the supplier's countries and sectors of operation. However, users are encouraged to keep in mind the passing of the December 22, 2019, deadline set by the UN Security Council Resolution 2397 (2017) for the repatriation of North Korean nationals earning income abroad.

The *North Korean Sanctions & Enforcement Actions Advisory* from July 23, 2018, identifies the following countries as having North Korean labourers working on behalf of the North Korean government in 2017-18:

Algeria, Angola, Bangladesh, Belarus, Cambodia, China, Congo, Congo (Democratic Republic of the), Equatorial Guinea, Ethiopia, Ghana, Guinea, Indonesia, Kyrgyz Republic, Kuwait, Lao People's Democratic Republic, Libya, Mali, Malaysia, Mongolia, Mozambique, Namibia, Nepal, Nigeria, Oman, Peru, Poland, Qatar, Russia, Rwanda, Senegal, Singapore, Tanzania (United Republic of), Taiwan, Thailand, Uganda, United Arab Emirates, Uruguay, Vietnam, Zambia, and Zimbabwe.

The advisory also identifies a number of sectors as having North Korean laborers. These correlate with the following sectors in STRT v2.1:

- Accommodation and food service activities
- Agriculture, forestries and fishing
- Construction
- Healthcare Services
- IT services and software
- Manufacturing
- Mining and quarrying
- Wholesale and trade

PART 6: GENERATING A CODE OF CONDUCT COMPLIANCE STATUS

Though not the original intent of the STRT, organizations can use data acquired with the standard to generate a code of conduct compliance status. This requires organizations to first map the questions in the STRT with provisions in their own supplier code of conduct. Organizations can then follow a similar methodology and algorithm to the above to generate a compliance status.

Given the likelihood of imperfect overlap between STRT questions and an organization's code of conduct, the code of conduct compliance status will likely need to be qualified as an indication of compliance. Organizations are then encouraged to conduct further investigation when a supplier indicates non-compliance with their code of conduct before determining follow-up risk mitigation and prevention action.

SRA

SCORING GUIDE

SLAVERY & TRAFFICKING RISK TEMPLATE (STRT) VERSION 2.1