



# **DETECTING FORCED AND BONDED LABOR IN SUPPLY CHAINS: A RAPID ASSESSMENT TOOL**

**GoodWeave International**

**Learning report for the ISEAL Innovations Fund**

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## EXECUTIVE SUMMARY

Sustainability systems are positioned to advance human rights protections in specific geographies and commodities through verification and remediation of human rights violations, such as forced and bonded labor. However to ensure impact, detecting those violations is central and often elusive.

In October 2021, GoodWeave International (GWI), in partnership with Better Cotton and the Rainforest Alliance and with support from the ISEAL Innovations Fund, set out to develop a data-driven risk-based tool for auditors and supply chain assessors to detect forced and bonded labor (FBL) rapidly and effectively.

The time and funding available were limited, however the project was successful in developing, testing and refining rapid assessment tools, and accompanying guidance, for use at carpet and home textile production sites, and agricultural worksites, respectively<sup>1</sup>. Though further refinement is needed, the project has generated valuable learning and resources to share with sustainability systems, including:

- The project demonstrated the potential of using non-compliance audit data to identify the strongest indicators for high risk of FBL.
- Questionnaires created for auditors to assess those indicators on-site can inspire other schemes looking to increase competencies.
- Pilots increased understanding of the practical applications of rapid assessment tools and on considerations to guide adaptations for other sectors and geographies.

This report captures project learnings and shares general recommendations for those working to improve FBL detection in different sectors.

## CONTEXT

According to the ILO, there are an estimated 25 million people trapped in forced labor globally. Though the prevalence is high, traditional audit approaches are challenged to reliably detect forced and bonded labor (FBL). Several factors underlie this lack of effectiveness:

- Forced labor is difficult to detect. Multiple indicators, often only in combination with others, can reveal forced or bonded labor. For example, a supplier may engage in practices that are potential indicators of forced or bonded labor, such as providing workers with advances or using labor brokers, but these practices in and of themselves may not amount to forced labor. Conventional audit tools may capture a variety of risk factors, but may not help social compliance auditors understand the difference between risk factors and confirmed FBL cases.
- Social compliance auditors are often not trained in the nuances of detecting forced labor and lack practical tools for assessing this complex issue. Even if well trained, auditors need to evaluate multiple aspects of labor and human rights within a single audit of a limited duration. Complex subjects like forced and bonded labor are often reduced to checklist type questions that may not actually reveal FBL.

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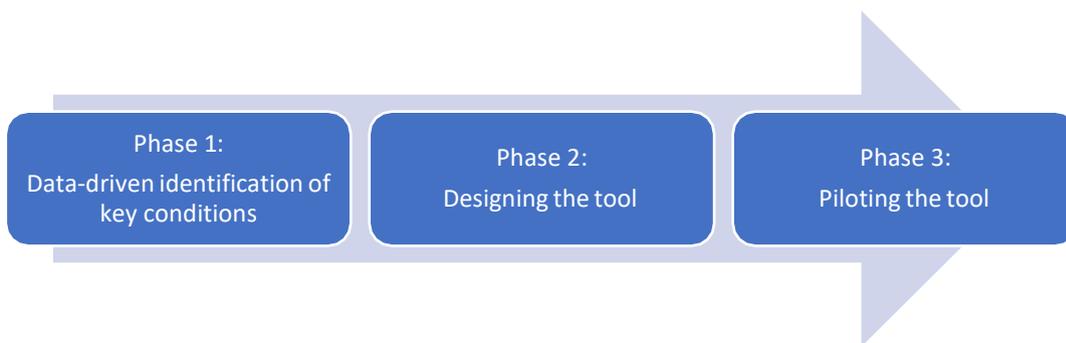
<sup>1</sup> The tools developed and tested during this project are available upon request. For more information, please contact Elisabeth Bystrom: [elisabeth@goodweave.org](mailto:elisabeth@goodweave.org)

- Most social compliance audits take place annually, meaning that the majority of the supply chain is unmonitored for most of any given year, even though production locations are added and/or changed. Most due diligence activities like audits are time consuming and costly, making it difficult to conduct the level of monitoring needed to identify forced and bonded labor.

The rapid assessment tool developed in this project was designed to assess the risk of FBL in a specific production site.

## OVERVIEW OF THE PROJECT

The project ran from October 2021 to June 2022. It consisted of the 3 phases:



### **Phase 1: Data-driven identification of FBL conditions/indicators**

Between October and December 2021, the project identified conditions that are the best indicators of FBL by analysing data of confirmed cases and non-compliance data.

Data from 60,000 scheduled audits and unannounced inspections conducted in GoodWeave-licensed textile supply chains in India, Nepal and Afghanistan, from a five-year period (2016-2021) was included. Additional datasets were not included in this analysis due to lack of availability or compatible format.

Based on a regression analysis of GoodWeave data, six indicators were statistically significantly correlated with the presence of FBL.

### **Phase 2: Design of the FBL rapid detection tool**

From January to mid-March 2022, GoodWeave developed the rapid assessment tool to help auditors explore if these FBL indicators were present at production sites, therefore indicating high risk.

Inspired by the ‘trigger identification’ approach used in the unannounced inspections that GoodWeave conducts to identify child labor, a two-stage process was created that included a questionnaire with set response options for employee interviews during an unannounced visit, and a follow-up questionnaire for employer interviews and document review checklist triggered based on the employee responses.

Project partners Better Cotton and Rainforest Alliance helped to produce a modified version of the tool oriented to the agriculture sector.

### **Phase 3: Piloting the FBL rapid detection tool**

The pilots took place during April and May 2022 in two sectors (carpets and home textiles, and agriculture) in multiple geographies (India and Nepal for the first sector, and orange plantations in Brazil for agriculture).

Auditors conducted interviews (including the follow-up interviews with employers and document review if necessary), and validated results looking at full audits for a sample of the sites. The validation exercise was not carried out in Brazil however useful feedback was received from auditors on both pilots with respect to the general effectiveness and limitations of the tool.

## **DATA-DRIVEN IDENTIFICATION OF INDICATORS**

The project was designed to fill a gap in the field in connection to identifying FBL risks and confirmed cases. Based on GoodWeave's 25 years of experience, the team set out to develop a rapid assessment tool using existing data that confirms most significant FBL risks. The approach helps to remove the subjectivity of supply chain assessors who have traditionally made decisions based on instinct, and enables objective, consistent and precise FBL evaluation. The first step in this process was to identify the best FBL indicators for specific sectors and regions.

### **Establishing FBL Indicators**

To establish FBL indicators, the project team set out to determine statistically significant correlations between FBL non-compliances and confirmed case, therefore data on confirmed cases was required. GoodWeave collects the necessary data through annual audits and random, unannounced inspections. For this project, five years of aggregate data related to FBL non-compliances from 60,000 audits and unannounced inspections in carpet and home textile supply chains in India, Nepal and Afghanistan was tapped. Non-compliances fell into the following 16 categories:

- evidence of FBL (use of force)
- harassment is present / not prevented
- methods of payments are not acceptable to workers
- lodging deposits and/or IDs is required
- no formal agreements (written or verbal)
- no time keeping system in place
- no grievance mechanism
- pay records are not sufficient
- physical or psychological measures are used to prevent workers from leaving employment
- recruitment fees are paid
- movement is restricted
- terms of employment are not understood
- wages are withheld
- wages are not paid to the worker directly/ are paid through a third party
- workers cannot terminate employment freely/easily
- working hours are not specified

During project design and early implementation, GoodWeave sought relevant data from partners in order to adapt the methodology and tool to additional sectors and geographies, however adequate data was not available. While Better Cotton did provide FBL data from multiple sources it was limited in reach and largely anecdotal and therefore was not statistically significant.

### **Analyzing FBL Data**

GoodWeave engaged consultants from Well World Solutions (WWS), a firm specializing in designing methodologies and analyzing quantitative and qualitative data to address complex issues, to lead the FBL data analysis. WWS evaluated and conducted a quantitative analysis of primary data collected by GoodWeave to determine if some observations made during the inspections were better predictors of FBL than others. The goal was to create and test a rapid assessment instrument to streamline audits and efficiently triage sites for deeper investigation. The rapid assessment instrument would consist of a few circumstances and/or questions easily documented and that would signal the likelihood of forced and bonded labor.

GoodWeave and WWS cleaned the data to create a dataset of 17,707 records consisting of 16 non-compliance categories and identified sites where the existence of forced and bonded labor had been confirmed.

WWS tested regression models with a variable indicating confirmed cases as a dependent and variables for the 16 non-compliance variables as independent. Regression models tested how much the observation of any of the 16 non-compliance items increased the probability of a site actually generating a non-compliance. Regression analysis measures probabilities and determines whether the observed probability for each independent variable, according to statistical rules, should be considered random or significant. The WWS analysis winnowed down the 16 categories to eight significant ones. WWS then conducted an analysis of the degree of statistical significance, the probability and the degree to which, practically, a non-compliance category could be easily ascertained during a site audit or inspection, to identify which categories should be included in the rapid assessment instrument.

The regression analysis found that strong signals of FBL are significantly correlated with confirmed cases of forced and bonded labor when:

- Movement of employees is restricted;
- Wages are being illegally withheld (withholdings are excessive or unexplained); and
- Workers cannot terminate employment freely/easily.

Other weaker signals of FBL were significantly correlated with confirmed cases of FBL when there were:

- No formal work agreements;
- No time keeping system; and
- Unclear, misleading or misunderstood terms of employment.
- This set of weaker signals are more easily observable or information on them are more easily obtainable.

Finally, two categories presumed to signal strong evidence of FBL turned out less strongly linked to confirmed cases:

- Evidence of FBL (use of force); and
- Workers are required to lodge deposits and/or IDs are held by the employer.

GoodWeave's FBL data indicated that the first six conditions above are good indicators of potential FBL in South Asian textile supply chains. This information served as the foundation for the development of the rapid assessment tool prototype that would then facilitate data collection on those six variables rapidly and effectively.

An important takeaway from the data analysis relates to data availability and consistency. FBL is generally a zero-tolerance criterion. When FBL is confirmed in most schemes, it results in decertification, or, in GoodWeave’s system, de-licensing, which means that exporters, suppliers and/or importers may no longer buy and sell certified goods, because they are removed from the program. Further, other standard schemes and certifying bodies may use different criteria and audit questions to measure and detect the potential presence of FBL, which can lead to inconsistencies or misalignment when comparing data. Inconsistencies can even arise within an organization over time. For example, when GoodWeave updated its Standard in 2015 and again in 2019, audit questions were revised and therefore the type of data collected changed. For this reason, cleaning the data was time consuming, and extremely important.

The non-compliance data analysis revealed some surprising results - most revealing was that in areas that are typically considered strong indicators of FBL there were very few non-compliances in GoodWeave data:

- payment of recruitment fees or payment of wages by labor brokers;
- physical or psychological measures used to prevent workers from leaving employment;
- restriction of movement.

## DESIGN OF THE FBL RAPID ASSESSMENT TOOL

The goal in developing the FBL rapid assessment tool was to quickly inspect work sites for presence of any of the six conditions identified in phase 1. In addition, the project team sought to learn how to create an adaptable tool, applicable for different sectors and geographies.

The prototype for the rapid assessment tool was inspired by the ‘trigger identification’ approach used in GoodWeave’s unannounced inspections that are highly effective in identifying cases of child labor. Inspectors enter a production site, visually evaluate it, and often speak with workers before engaging formally with management.

For the FBL rapid assessment tool, GoodWeave followed a similar approach: inspectors would first conduct a one-to-one interview with employees (phase 1), and this would trigger a follow-up interview with the employer and review of documentation (phase 2) if needed.

For the employee interview, GoodWeave developed a structured questionnaire of 20 questions with set response options. The questions were designed to collect data against the six indicators identified in step 1, for example:

Signals identified from the data analysis	Sample of employee questions
Movement of employees is restricted;	<p>If you want to leave this job, maybe for another job or to move away, can you [are you allowed to] leave when you want?</p> <p>If you need to go visit a relative in another village/town for an emergency and take time off from your job, are you allowed to leave?</p> <p>Can you / are you allowed to leave the place where you work at the end of your shift?</p> <p>Are you allowed to visit your family or friends in your off-hours?</p> <p>Are you allowed to contact or call your family or friends in your off hours?</p> <p>Do you have a government-provided identification card or passport?</p>

	Do you have your original identification card or ID and/or your passport in your own possession or have easy access to it?
Wages are being illegally withheld (withholdings are excessive or unexplained);	How much did you get paid last time you were paid? How much were you paid per day, or per piece or task? Indicate if by, day, by piece or by task. How many days, pieces or tasks did that payment include? When was the last time you got paid? Does your employer provide you with any documentation about how much you are being paid each pay period/season? For example, a pay slip? If you or a family member have borrowed money (or received an advance) from your employer, how are you repaying back the amount you or your family borrowed? If installments are taken out of your pay, how much is taken out each time you get paid (whether it is daily, weekly, monthly, etc.?)
Workers cannot terminate employment freely/easily	Does the agreement (written or verbal) include what you need to do if you want to stop working here? If you want to leave this job, maybe for another job or to move away, can you [are you allowed to] leave when you want?
No formal work agreements	Do you have an employment agreement/contract? Is it written or verbal?
No time keeping system	Are you paid by the task, by day, or are you paid by the piece? What time did you start and end work yesterday or the last day you worked? Is there a time recording system to record your start and end time for work?
Terms of employment were unclear, misleading or not understood	Is the employment agreement/contract written in a language you can read? Is the employment agreement/contract written in a way that was easy for you to understand? Did someone explain it to you?

Eighteen of these questions have set responses coded as 'red flags'. If an interview concludes with five or more red flags, the auditor would be required to interview the employer and do a document review.

The structured questionnaire for the employer consists of 13 questions with set response options. In addition, the project developed a checklist to help cross reference the employer and employee responses with existing documentation (e.g., wage records, timesheets, written employment agreements).

### **Key lessons from developing the tool for the carpets and home textiles sector**

Taking a data-driven approach led to a counter-intuitive tool.

The intent was to develop a simple, easy to use tool with little flexibility for consistent results. The tool, for the purpose of the pilot, was designed to be prescriptive, and provide the inspector with a scripted, sequential set of questions to follow. This restrictive format resulted in a more complex tool than GoodWeave's seasoned team were used to using and the tool did not allow them to follow leads or dig for more information when they normally would have done so. Experienced auditors build trust, follow leads, improvise and are agile in their approach. The tool, as it was designed, did not allow for this proven process.

Ultimately, the pilot team was concerned that they would miss important information, because they were not instructed to ask about it through the questionnaire.

## **Adapting the FBL rapid assessment tool for the agriculture sector**

To strengthen the applicability of this rapid assessment tool in other sectors, GoodWeave engaged with Better Cotton and Rainforest Alliance once a working version of the tool was ready. The questionnaires and checklist were shared in order to obtain these partners' suggested adaptations for use in the agriculture sector and geographies in which they work.

The value of the approach was recognised since the three 'strong' indicators apply in agriculture; however, the other three indicators are also extremely common. In addition:

- Both organizations broadly agreed that the strongest signals of FBL identified by GWI (restricted movement; withholding of wages; inability to easily/freely leave employment) are also most significant in agriculture.
- Better Cotton noted that the weaker signals of FBL (no formal work agreements; no time keeping system and terms of employment are unclear or not understood) are extremely common in agriculture, especially in the smallholder farmer context. This would therefore place agriculture in the high-risk category by default, which is not particularly nuanced nor helpful in practice.
- The carpet and home textiles version of the tool included many questions related to written agreements and recorded working hours, both of which are rare in practice in agriculture. Questions related to these circumstances were subsequently adapted to align better to the reality in agriculture. For Rainforest Alliance, this meant allowing for verbal agreements/contracts with some form of documentation.
- Rainforest Alliance and Better Cotton both pointed out that some of the key indicators of FBL in coffee, tea, cocoa, bananas and cotton were not included, such as payment of recruitment fees, fraudulent recruitment, and delayed payment (due to the seasonal nature of agricultural employment). These are noted here, but were not integrated into the pilot tool questions, which were solely based on statistical analysis because data corroborating those indicators in agriculture was not available.
- It was also noted that the methodology, which includes interviewing workers before an introductory meeting with management, might not align with other standards systems and may require adaptation for other ISEAL members. However, the value of the approach was recognized.

## **PILOTING THE FBL RAPID ASSESSMENT TOOL**

GoodWeave designed pilots to test the rapid assessment tool in GoodWeave-affiliated carpets and home textiles production sites and in Rain Forest Alliance-certified orange farms. The pilots tested the feasibility of using the tool, gathered insights on improvements and limitations, and evaluated the effectiveness of the tool to detect high risk of FBL.

The GoodWeave pilot sites were randomly selected from scheduled audits and inspections in India and Nepal. Two sites (Nepal) were exporter factories, and 51 were small to medium-sized producers. The Brazilian sites were selected by Imaflo from their audit schedule.

Two members of GoodWeave program staff trained GoodWeave auditors and inspectors in South Asia and Imaflora staff in two separate, virtual sessions. The tool, training slides and a user guide were shared prior to the sessions. In both sessions, the purpose of the tool and how to use it were covered thoroughly. The Imaflora auditors were subsequently trained by a designated Imaflora staff member who attended the training session.

Auditors were asked to collect responses on a paper form during the assessments and entered data into the web-based survey administration software.

### Pilot Results

The table below summarises background on the pilots:

	<b>Carpet and home textiles</b>	<b>Orange farms</b>
<b>Data collection period</b>	April 2022	May 2022
<b>Location and number of production sites</b>	36 sites in India, 17 sites in Nepal	10 orange farms in Brazil
<b>Number of auditors trained for the pilots</b>	13 (GoodWeave auditors)	4 (2 Imaflora auditors and 2 staff)
<b>Number of employee/worker interviews conducted</b>	233	90
<b>Average number of 'red flag' responses in employee/worker interviews conducted</b>	over 53.65% of the interviews raised 1 red flag and 17.6 had 2 or more.	0
<b>Number of employee interviews that triggered phase 2</b>	3	0
<b>Questions that received 'red flags' in employee interviews that triggered phase 2</b>	<p><u>Employment agreements (verbal or written):</u></p> <ul style="list-style-type: none"> <li>4% of respondents did not know if they had an agreement.</li> <li>Less than 3% of agreements were in writing.</li> </ul> <p><u>Time keeping system:</u></p> <ul style="list-style-type: none"> <li>90% of workers reported that there is no time keeping system.</li> </ul> <p><u>Pay documentation:</u></p> <ul style="list-style-type: none"> <li>61% of employees reported not receiving a pay slip or any documentation of their pay in a pay period.</li> </ul>	<p><u>Time keeping system:</u></p> <ul style="list-style-type: none"> <li>11% of workers reported that there is no time keeping system.</li> </ul> <p><u>Pay documentation:</u></p> <ul style="list-style-type: none"> <li>1% of employees reported not receiving a pay slip or any documentation of their pay in a pay period.</li> </ul>
<b>Number of employer interviews and document review conducted</b>	3	0

To validate the pilot findings, comprehensive inspections, using the full GoodWeave FBL checklist, were conducted at all GoodWeave sites following the pilot assessments. Responses to the pilot were compared to the validation assessments at 8 sites (15%) in a random sample. There were 46 FBL-related minor non-

compliances and risk factors raised on the sample of the inspected sites, no major non-compliances and no confirmed cases of FBL. Findings were generally congruent between the validation inspection and the rapid assessment, although some instances of contradictory data between the two suggest a lack of understanding of how to implement the questions in the tool, and feedback from staff confirmed this. Inconsistencies generally appeared as flags raised in the tool for which auditors did not raise corroborating non-compliances in the audit. Such flags included lack of written agreements and inability to leave the job due to debt.<sup>1</sup>

Insights on the effectiveness of the tool adapted for agriculture were limited, because the auditors carried out the FBL rapid assessment and the full audit simultaneously.

### **Feedback from audit and inspection staff**

- GoodWeave inspectors found the rapid assessment tool to be more time consuming than child labor inspections. Twenty minutes was spent on each worker interview. There was some discussion about how to streamline the interviews and data collection in line with usual protocols.
- The GoodWeave team also expressed concern that certain critical FBL indicators were not assessed, such as physical or psychological force and restriction of movement. These were not included in the tool because these were not statistically correlated to confirmed cases of FBL.
- Imaflora auditors on the other hand, found the tool took the same or less time than regular RA audits. However, from their other feedback, it is probable that they combined the pilot survey with the RA audit, but this could not be verified because the individuals were not available for follow-up. According to these auditors, Phase 2 was not triggered in Brazil because “all workers were hired according to Brazilian law and knew their rights, which were respected by the employer.” This may indicate that the pilot sample was not diverse enough.
- Neither the GoodWeave nor Imaflora auditors felt that any questions should be removed.

## **KEY LESSONS LEARNED**

Limited data availability is linked to the structure of most assurance models that make use of independent certification bodies that use their own systems for collecting and reporting information from the audit to report to the scheme owner’s database system. These non-digital collection and reporting systems usually consist of written notes using pen and paper or a computer, which are then transferred to a database (or multiple databases) later in the audit process (reporting and review). This multi-step, multi-platform process is vulnerable to omissions and errors and lacks a consistent and reliable methodology for information collection.

While digital collection of field data, non-compliances and other related evidence is becoming more common, the sustainability certification world has not yet moved to a fully digital process, where data is collected “in real time” during the audit and instantly shared with the certification scheme for analysis and action, such as remediation and/or stopping the use of a certification label in connection to goods produced where there is high FBL risk.

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<sup>1</sup> All instances of FBL risk identified during the pilot in GoodWeave sites were remediated according to GoodWeave’s policies.

The newness of digital data collection systems (like GoodWeave's Supply Chain Transparency Platform) also bring new challenges connected to designing, managing and visualizing extremely complex data sets. The work requires significant financial and human resources.

While quantitative measurement of forced labor risk is essential, a qualitative explanation to each identified risk of forced labor is extremely helpful where feasible. The first iteration of the tool enabled triangulation of specific risks across various sources, a useful aim, but a dearth of actual identifications of these risks due to small the relatively sample size, limited triangulation opportunities.

### **Limitations of the current version of the rapid assessment tool**

**Time:** GoodWeave inspectors found the tool to be more time consuming than its usual rapid inspections, taking up to 20 minutes per worker interview for a total of two to four hours per FBL assessment.

**Scope:** Because the data analysis stage surfaced that certain types of forced labor in GoodWeave-inspected supply chains, such as physical violence or use of force, were not identified over a five year period, these indicators were not included in the rapid assessment tool. The organization is in discussion about whether or not there is a comfort level removing these indicators, at least from some of its inspections.

**Format:** Evidence from the data and interviews with auditors and inspectors indicates that the format of the assessment tool was not efficient or user-friendly enough. The tool was structured like a survey instrument, which did not fit well with GoodWeave's usual approach to rapid inspections. A key learning is to focus on these simple *trigger* questions and to think of the tool as a data entry/data capture instrument. This means that data can be collected through conversation, written down and captured digitally later if needed, and auditors can also ask additional questions and document answers as they usually do, in a conversational mode, write down the information on paper, and then later capture it digitally, or by other means used by the scheme. Guidance should be provided by the scheme, but it can be left up to auditors about whether or not follow-up questions are needed and how to capture answers.

**Data on earnings:** Analysis of the data collected with the rapid assessment tool surfaces the need to include a stronger focus on employer loans as a red flag. Assessors in India and Nepal also noted in group discussions that employees, especially those working on a monthly rate and/or via contractors, were more likely to be uncertain about the amount they were supposed to be paid and this was an important indication of FBL risk.

In the India-Nepal data, 14% of respondents either did not know or did not provide an answer about how much their last payment was or their pay rate.

There were no cases of uncertainty with respect to earnings in the Brazil data.

When the tool is revised by GoodWeave, a red flag will be raised when the employee does not know pay rate or amount of last payment.

**Data on loans:** Comments from auditors indicate that respondents routinely receive advances and usually have no mechanism to track advances. It is possible that the proportion of respondents who borrowed money from their employer and do not know how much they owe is larger than what shows in the data. In Brazil, fewer than 6% of employees surveyed had loans with their employers, but all repay it

out of their paychecks. All Brazilian employees knew how much they repay each pay period, which averaged approximately 26% of their pay.

In India and Nepal, one-third of employees “borrowed money” from their employer. Among these respondents:

- Three were unsure about how much they borrowed. These are the same respondents who had five red-flag answers, and did not know how much they were paid.
- More than half pay their loan out of their paychecks. Of this group
  - Only half knew how much is deducted from their pay to repay loans.
  - For those who knew the details of their loan and pay, approximately half report payment amounts of more than 25% of their pay.

These findings suggest red flags be raised when:

- 1) respondents say they borrowed money from their employers *but do not know how much*;
- 2) respondents are not clear about *how much money deducted to pay off advances or loans*, or
- 3) loan repayment amounts *are above 35% of pay* (or a different threshold determined within the context).

**Formal employment agreements:** Counter to input from Rainforest Alliance and Better Cotton on the tool modification for agriculture, in Brazil, all respondents have a written agreement (and a copy of it or know where to find it). There are no red flags with the agreements in Brazil.

Written employment agreements are uncommon in the informal sectors where GoodWeave works. This was reflected in the responses in Nepal and India, where fewer than 3% reported having written agreements; 93% of respondents have a verbal agreement and understand the terms of their employment.

If an employee does not know the terms of their employment it is a strong indication of vulnerability and risk for FBL. This should be a red flag.

**Time Recording Systems:** All employees in Brazil who are paid a day-rate (76%) say there is a time recording system at their worksite. In Nepal and India, all employees who report being paid a day-rate (3%) report that there is not a time recording system at their worksite. Findings indicate that the relevance of the question about time recording system depends on the context and the agreement and, as such, is not in itself an avenue to flag FBL risk. Therefore, not all questions on time recording should be used as identifiers of FBL risk.

**Pay Records:** Forty per cent of respondents in Nepal and India indicate that they receive documentation of their pay while 99% in Brazil say they do. The practice is irregular in India and Nepal. Findings suggest that questions on pay records cannot be used universally to determine FBL risk; however, there is not sufficient data to confirm this.

**Restriction of movement:** All employees in Brazil declare that they are free to move and leave their job. In Nepal and India, 2% say their movement is constrained (they cannot get another job or leave town) until they pay off their debt. While this is a serious indicator of FBL, the question makes respondents uncomfortable and might be better asked in the context of a deeper investigation. Based on the data,

restriction of movement overlaps with employer loan issues (workers cannot leave until their debt is paid off) noted above as triggers.

**Identification:** All employees in Brazil have a government ID and have it in their possession. In Nepal and India, 98% of respondents have a government ID and all have it in their possession, or it is with somebody they trust (not their employer). Data indicates that government identification, in these contexts, is usually not retained by employers. However, this is an easy question to ask and a simple proxy for determining if movement is restricted, a strong indicator of FBL, and it is suggested that this line of questions be used to raise FBL red flags.

## RECOMMENDATIONS FOR ISEAL MEMBERS AND SUSTAINABILITY SYSTEMS

A rapid assessment may be most effective when used as a risk identification tool, to increase or reduce the frequency of audits depending on responses, or indicate where further investigation is needed. In agriculture for example, where audits can take place over multiple days with several auditors, the tool (i.e., focused interview questions about FBL) could be used on the first day to inform the rest of the audit and where to investigate further in other portions of the audit to come.

Based on the results of the pilot, the project team concludes that other than pay records and restriction of movement, a red flag on any of these indicators should trigger further investigation into FBL.

Indicator	Recommendation
Earnings	Assign a red flag when the employee does not know how much their last payment was or what their pay rate is.
Loans	Assign a red flag for any of the following: <ul style="list-style-type: none"> <li>• respondents say they borrowed money from their employers but do not know how much;</li> <li>• respondents are not clear about how much money is taken out of their pay to pay off advances or loans, or</li> <li>• loan repayment amounts are above 35% of their pay (or a different threshold determined by the context).</li> </ul>
Formal employment agreements	Assign a red flag if an employee does not know the terms of employment.
Time recording systems	Questions about a time recording system should not be used to assign a red flag.
Pay records	Questions on pay records cannot be used universally to determine FBL risk.
Restriction of movement	Overlaps with the loan issues (workers cannot leave until their debt is paid off) noted above as triggers.
Identification	Assign a red flag if a worker does not have a government issued identification in their possession or easy access to it.

### Considerations for adaptations in other sectors / geographies

The FBL rapid assessment tool can be used in any geography or sector, with the following considerations when designing protocols:

- This FBL rapid assessment tool is best used when the auditor has pre-audit information on the risk of FBL in the geographic region and sector, and adapts the tool to align with those risks. This information can come from a risk assessment that is performed by the scheme owner or certification body; or a stakeholder outreach process lead by the certification body and/or audit team. This type of tool customization per geography would ensure that key questions are not omitted from the assessment.
- The tool should be designed to be used at any time during the audit process, and not in a specific trigger approach, that requires worker interviews first. While it is a logical approach in supply chain audits, this is not a normal schedule of activities in a farm audit and worker interviews occur over many days with the other varying audit activities.
- Auditors should have the freedom of asking their own questions and design of the interview process. The tool should be used as a method to assess and document the results of those interviews, not a step-by-step question list to ask/survey the workers. Sample questions can be provided, but not required as a script to follow.

Sustainability standards systems are encouraged to develop consistently implemented FBL data collection procedures in a way that enables proper data analysis to inform future development of rapid assessment tools, and overall programming, including FBL prevention and remediation.