



Product Risk Ratings

POWERED BY



The Product Risk Ratings form part of LRQA's supply chain ESG risk ratings portfolio that includes ratings for more than 400+ products and services. They are designed to provide investors and corporates with deeper, from-the-ground intelligence on supply chain ESG risk exposures and trends.

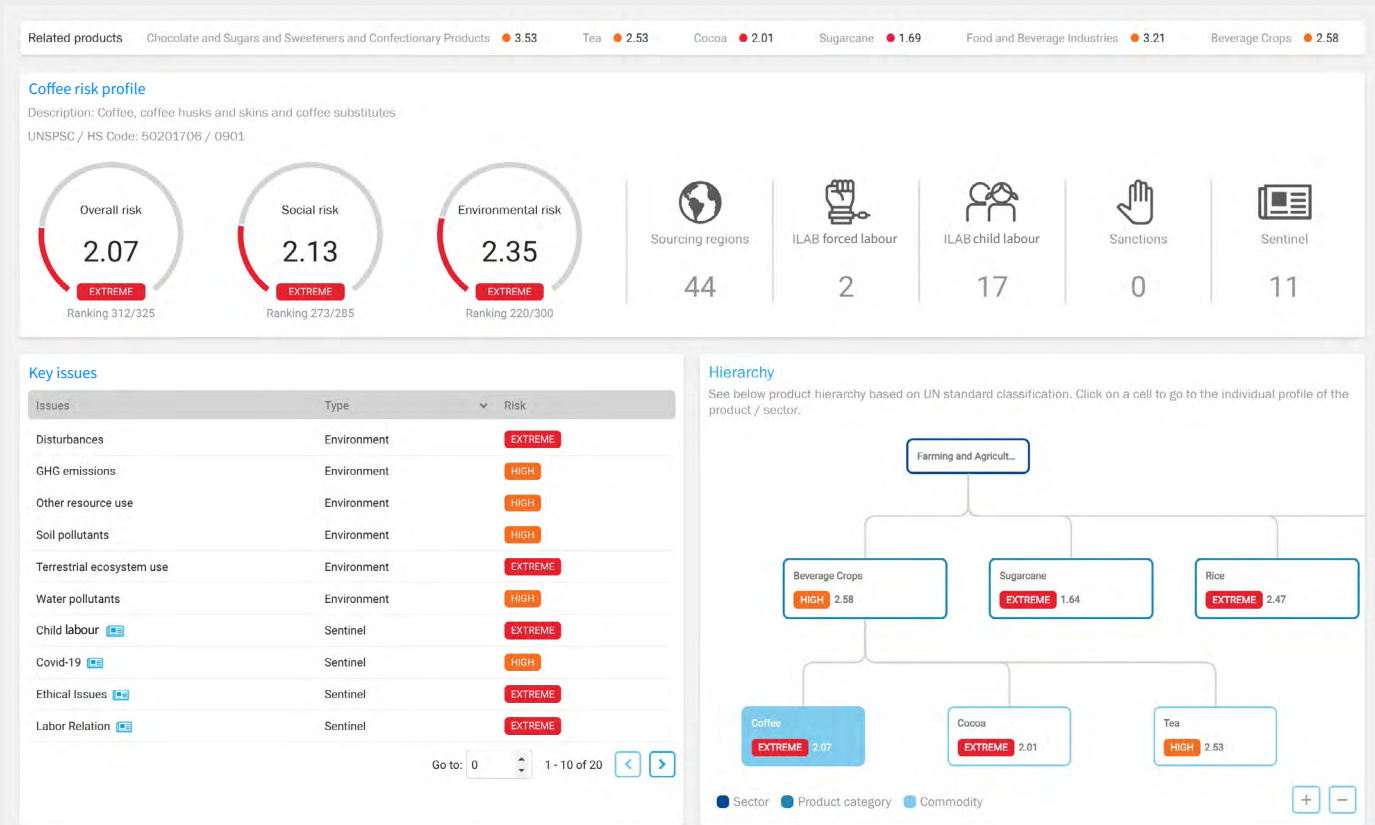
What are Product Risk Ratings?

The Product Risk Ratings present insights based on the inherent social and environmental risks involved during the production of the product or during the delivery of its service. The ratings reflect risks related to labour standards, health and safety conditions during the production of the product or delivery of the service. The environmental ratings reflect issues related to the environmental impacts to the environment such as disturbances to land, water ecosystems, GHG/non-GHG gas emissions, soil, water, pollution, etc.

The ratings, presented in LRQA's Supply Chain ESG Intelligence Platform (EIQ), covers 400+ products and services across 20 sectors. This includes an overall risk rating, social rating, and environmental rating.

Product Risk Ratings are generated based on three key data sources, (1) publicly available data via desktop research, (2) sector data from LRQA audits, and (3) government sanctions and withhold release order data and adverse media incidents tracked via EIQ Sentinel.

The ratings are based on social and environmental dimensions associated with the product/service. The graphic shows the key issues covered in each of the two dimensions and how overall ratings are generated.



Data sources



Audit data

LRQA conducts more than 20,000 social and environmental assessments per year across the global supply chain. Assessment data are standardised and aggregated at country, sector and province/state level.



Public domain data

LRQA leverages public domain data from multilateral organisations and NGOs to complement risk information where audits are less likely to evidence specific violations – e.g. forced labour – or in low sample countries.



EiQ Sentinel data

LRQA leverages web data points (i.e. news or public records) to complement the risk information coming from the audits and the public domain data. All the web data points represent company, product or country level risk information gathered from search engines, specialised websites, sanction lists and others.

Coverage

400+

Product level risk ratings

90+

Services

90+

Sectors

Use cases

Investors and corporates can use the product risk ratings to:

- Identify sector-based risks and potential forced labour flags
- Locate high-risk hot spots in order to take proactive intervention and risk mitigation
- Enhance portfolio review and engagement strategy
- LRQA responsible sourcing programme
- Identify other key sourcing countries for their supply chain

Methodology

The Product Risk Ratings present insights based on the inherent social and environmental risks involved during the production of the product or during the delivery of the service.

Product - Sentinel

- ILAB child labour
- ILAB forced labour
- Sanctions
- Withhold release orders

Product - social*

- 50% Workforce
- 25% Product
- 25% Business

Overall risk



Social risk

Country - social

- 40% Labour: civil society
- 10% Health & Safety: civil society
- 25% Labour: supply chain
- 25% Health & Safety: supply chain

Country - environment

- 50% Environment: civil society
- 50% Environment: supply chain

Environmental risk

Product - environment*

- Disturbances
- Freshwater ecosystem
- GHG emissions
- Marine ecosystem use
- Non-GHG air pollutants
- Other resource use
- Soil pollutants
- Solid waste
- Terrestrial ecosystem
- Water pollutants
- Water use

*based on desktop research

Why LRQA data?

LRQA supply chain ESG risk ratings are produced from enhanced, more robust data and empower businesses to align with emerging due diligence expectations and set the standard for supply chain ESG best practice.

LRQA separates itself from the industry standard through its use of comprehensive from-the-ground intelligence from audits, worker voice and eLearning along with adverse media insight to produce holistic risk values.

Get in touch

Visit [eiq.ai](https://www.eiq.ai) for more information

→ Request a demo

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