



# Pre-approval process for suppliers

**An approach that addresses risks of labour exploitation**

**Version 3.0**

**Last updated: March 2022**

## **Contents**

- [Approach to pre-approving suppliers](#)
- [Summary process for pre-approving suppliers](#)
- [Inherent risk assessment](#)
- [Supplier assessment questionnaires](#)
- [Further due diligence](#)
- [Assessing suppliers' responses](#)
- [Supplier engagement](#)
- [Appendix A: Example information sheet for suppliers to accompany the SAQ](#)
- [Appendix B: Example question set for suppliers to TV productions](#)
- [Appendix C: Purchasing practices](#)

## **Introduction**

TV productions often refer to lists of pre-approved suppliers, either maintained by themselves or that are shared with them by the broadcasters.

The below guidance outlines a process for ensuring that a pre-approval process factors in labour practices and modern slavery risks. Getting this right means that production companies and broadcasters contracting such suppliers can have confidence that the suppliers they engage already have the right practices in place.

## **Audience and use**

The approach is aimed at procurement teams in broadcasters and proposes ongoing supplier engagement as a central part of the process to build both knowledge of supply chain practices and rapport with suppliers. If established in the way suggested, the process can form the basis of greater collaboration between suppliers and the broadcaster, such that they can work together to address labour practices.

## Approach to pre-approving suppliers

### Objectives of process for pre-approving suppliers

1. Understand risks of modern slavery and poor labour rights practices
2. Ensure suppliers have adequate due diligence in place to address risks
3. Set the right tone of collaboration from the outset

### Benefits of pre-approval to suppliers

If established collaboratively, being pre-approved will be important to a supplier because that supplier:

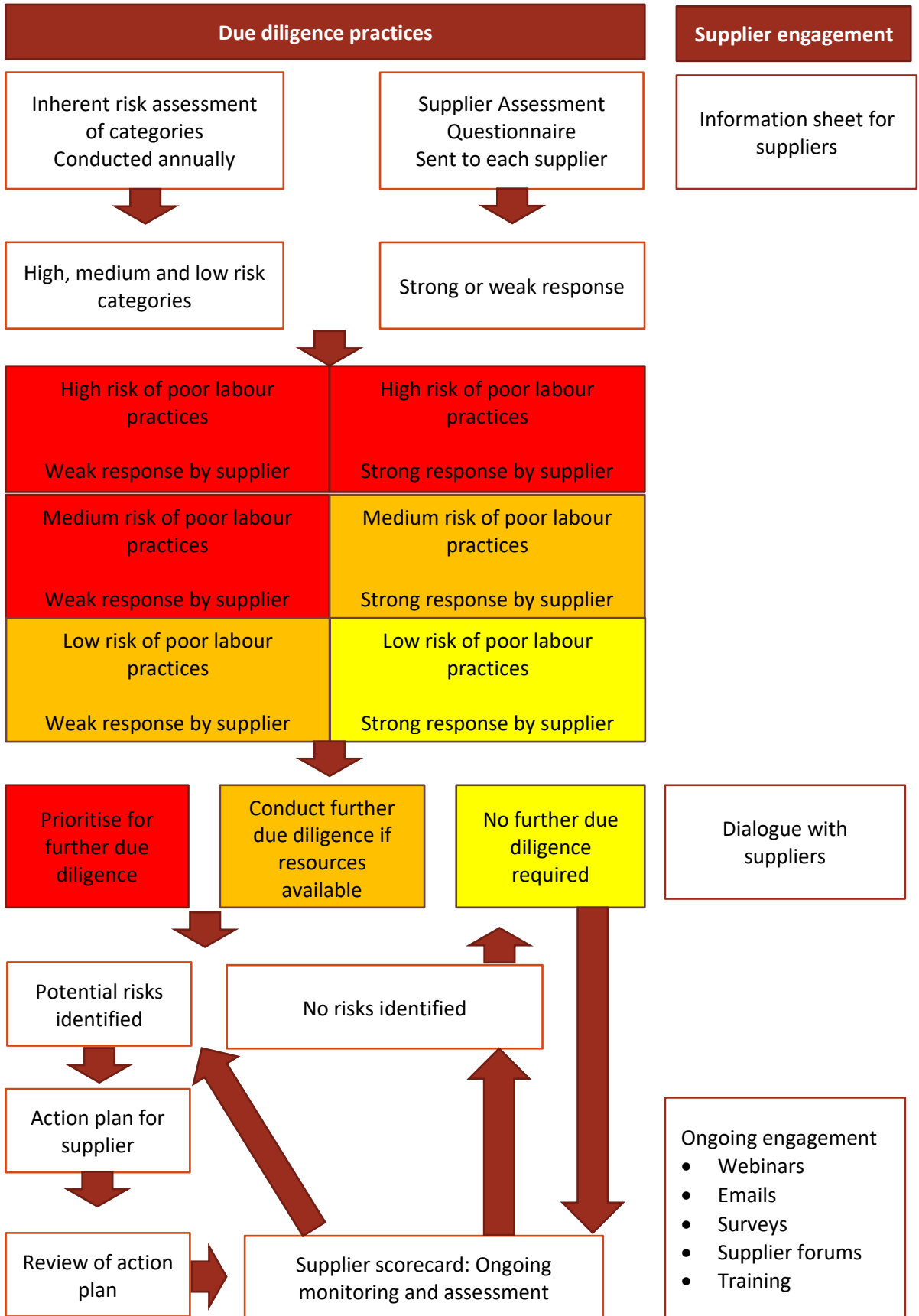
1. Will be included on a list shared with broadcasters' production companies and indies commissioned by them
2. Can access a named procurement contact at the broadcaster to raise any issues and get support
3. Will receive invitations to supplier engagement opportunities, including training

### Types of suppliers that TV production needs pre-approved

- Logistics
- Catering
- Security
- Cleaning
- Facilities
- Transport and drivers
- Lighting
- Stage management
- Outside broadcast (OB)
- IT support
- Set construction
- Software
- Seating
- Audience management
- Hotels
- Venues

## Summary of process for pre-approving suppliers

1. Inherent risk assessment for broadcasters to look at different categories and understand where a deeper dive might be required
2. Supplier Assessment Questionnaire (SAQ) together with an information sheet for suppliers
3. Further due diligence on suppliers, including a question set to follow up with them, an approach to desk research and other activities such as audit
4. Cycle of monitoring, evaluation and assessment



## Inherent risk assessment

Some suppliers or types of business activity are likely to be more at risk of poor labour practices than others. The location of production or services is one factor but, given that labour exploitation and modern slavery occurs in every country of the world, it is not the only factor and it is vital that a risk assessment takes into account the type of work being provided and the nature of the worker(s) providing it.

### Example of inherent risk assessment of supply chains and suppliers

<p><b>Country of production or services</b></p> <p>1 = Low risk on the Global Slavery Index                  2 = Low risk on the Global Slavery Index but experiencing political instability, conflict or natural disaster                  3 = Medium risk on the Global Slavery Index                  4 = High risk on the Global Slavery Index</p>	<p><b>Business processes</b></p> <p>1 = No third party labour agencies or providers used and short transparent supply chains                  2 = Use of some third party labour agencies or providers <b>or</b> some complexity/lack of transparency in supply chains <b>or</b> low-cost country manufacturing                  3 = Long, complex or non-transparent supply chains <b>or</b> reliance on third party agencies or providers                  4 = Long, complex or non-transparent supply chains <b>and</b> reliance on third party agencies or providers</p>
<p><b>Workforce characteristics</b></p> <p>1 = Negligible proportion of migrant, vulnerable or low-waged workers                  2 = &gt;20% migrant, vulnerable or low-waged workers                  3 = 20-50% migrant, vulnerable or low-waged workers                  4 = &gt;50% migrant, vulnerable or low-waged workers</p>	<p><b>Product/industry risk</b></p> <p>1 = Work is high-skilled, safe and high barriers to entry                  2 = Work is low-skilled but with high barriers to entry                  3 = Work is seasonal and low skilled with medium barriers to entry                  4 = Seasonal low-skilled work and highly competitive industry with low barriers to entry</p>

Total these up to produce an assessment for each supply chain or supplier

Score 12-16 - High risk

Score 8-11 - Medium risk

Score 4-7 – Low risk

These aspects can form part of a pre-qualification questionnaire or they can build on the knowledge of procurement teams who have good insight into particular categories of spend.

## Supplier Assessment Questionnaires

Supplier assessment questionnaires (SAQs) are a way to gather initial information from current or potential suppliers.

This approach proposes incorporating three questions on modern slavery and labour exploitation

### Three questions to ask

1. What are the [top three] risks of modern slavery or labour exploitation in your operations and supply chains?
2. What steps have you taken to address these risks?
3. How do you measure the success of the steps taken?

Alongside this, it is important to provide information for suppliers to help them to understand why these questions are being asked. See [Appendix A](#) for an example of a one-page information sheet.

Every business is likely to have labour exploitation somewhere in their supply chains, if not in their own operations. These questions are structured to force a supplier to identify where those risks are. Companies that have a good understanding of human rights issues should be able to answer this with information on actual risks (rather than simply stating that they are low risk), the steps they have taken to address risks identified and the due diligence practices that they have in place on their own partners and supply chains. The answers they give will provide a quick indication as to whether they have understood the issue and whether they have given thought to addressing potential risks effectively.

### What to look for in the answers

#### Question 1: What are the [top three] risks of modern slavery or labour exploitation in your operations and supply chains?

The most important answer will be that given to question 1.

Strong response:

- Identifies risks related to the sector they are in. For example, this might include:
  - areas of operations and supply chains more at risk of exploitation, e.g. they involve low-skilled manual labour, casual labour and/or work that is particularly physical, dirty or dangerous (NB skilled labour can also be at risk of exploitation)
  - supply chains of goods or labour that are long or complex
  - areas that are dependent on migrant labour
  - subcontractors that support main operations, e.g. cleaning, catering, transport and security
  - supply chains with known risks due to the sector or country involved
  - practices that can affect their ability to use trusted third parties, e.g. the need to meet tight deadlines or as a result of particular price pressures

- Identifies specific challenges, such as fraudulent self-employment, forged qualification documents etc

Weak response:

- Misses something obvious that you would expect for that sector or category
- Stops at first tier suppliers
- States that “we have no risks of modern slavery or labour exploitation”
- Is left blank

### **Question 2: What steps have you taken to address these risks?**

Strong response:

- Responds to the specific risks identified
- Has an engaged, collaborative and supportive approach with its own supply chain or industry peers
- Has put in place forms of worker engagement, e.g. trade union, worker committee, grievance mechanism, helpline/whistleblowing line
- Assesses own purchasing practices

Weak response:

- Generic steps taken that don't address the risks identified
- Pushes responsibility down the supply chain, e.g. through a contract clause or policy but with no further follow up or proactive steps taken
- A reliance on 'reputable' suppliers
- Says that if any issues are found, the supplier/subcontractor would immediately have their contract terminated - this doesn't necessarily address the best interests of potential victims whose needs should be put first; it also discourages those further down the supply chain from self-reporting incidents
- Is left blank

### **Question 3: How do you measure the success of the steps taken?**

Strong response:

- Explains an approach to monitoring
- Refers back to the steps described and how these are reviewed

Weak response:

- Monitoring is unrelated to the steps taken or the risks identified
- Is left blank

## Further due diligence

If the information received back from a supplier is inadequate or the risk levels are high, then it is important to conduct further due diligence. This can include:

1. Desk review
2. Direct dialogue with the supplier where resources allow

### Desk review

1. Check website to see if there is a modern slavery statement available and to gather any information about how the supplier operates and where it sources goods from
2. If no statement, check Companies House or company annual report to see whether the company has a global turnover of >£36m, in which case a lack of modern slavery statement would be a breach of UK law
3. Check the [Business and Human Rights Resource Centre](#) to see if the company has been mentioned in relation to human rights issues
4. Check Glassdoor.com, Indeed.com or other relevant sites to see if there are any reviews by workers
5. Check Twitter to see if there are any comments about working practices

### Direct dialogue with the supplier

If companies cannot answer the question about risks in their operations and supply chains, then they will need to provide further information about:

- Type of work done to provide a product or service – risks are higher for seasonal, outsourced/subcontracted, low-skilled, dirty/dangerous/physically demanding work
- Type of workers that their business model depends on – risks are higher for temporary, agency, migrant and low-paid workers
- Countries where product is manufactured or service provided

The quickest and most effective way to gather this information is through a direct dialogue with the supplier, where the resources are available to do this.

Sectors known to be at higher risk of labour rights abuses include: electronics manufacturing, waste recycling, construction, cleaning, hospitality, food processing & packaging and fruit/vegetable picking.

The question set in [Appendix B](#) provide a guide as to the type of information needed to understand labour rights at an organisation or on a worksite.

These questions do not need to be asked in order. It can usually help to ask a bit of information up front about the size and composition of the workforce and then let the conversation flow naturally, prompting further details where needed.

The questions cover:

- Risk areas – business activities; vulnerable workers; gender balance (1,2,3,4)
- Recruitment – permanent staff; temporary staff; agency workers (5)
- Contracts – permanent staff; temporary staff; zero hours (5,6,7)
- Working hours – usual; overtime (8)
- Wages – minimum vs living wage; overtime premium (9)
- Unions – membership and engagement (10)
- Raising concerns – trusted and accessible channels (11,12)



## Assessing suppliers' responses

**Key question:** are risks adequately mitigated?

Alongside the practical actions outlined above, suppliers should be given credit for the following aspects:

- Transparency – does the potential supplier share transparently and is it open about any challenges or issues?
- Willingness to improve – does the potential supplier show a willingness to put improvements and remedy into place and a realistic way of achieving this?
- Worker engagement – are workers involved in decision making (e.g through a committee) and do workers feel able to raise concerns and issues (ie are grievance channels actually used)?

### Supplier scorecard

It may be helpful to rate suppliers in a more nuanced way than simply approved or not approved. From a labour rights perspective, the rating could take the following form:

Assessment of suppliers' due diligence	Ranking of supplier	Response by procurement team
Nothing in place	Not rated	Flag to buyers that there may be risks involved in sourcing from this supplier
Nothing in place but a willingness to understand and address issues	Improver – approved with plan that must be achieved to stay approved	Review for each engagement
Something in place	Achiever – approved with caveats	Review after 1 year
A lot of things in place	Leader – fully approved	Review every 3 years

This approach may require more active monitoring by a central procurement team than an approach where once a company is approved it stays on a list indefinitely. However, such monitoring enables a clearer understanding of the suppliers and a better picture of potential risks.

## Supplier engagement

Establishing a collaborative approach to working with suppliers increases the likelihood that suppliers will share any issues transparently. It also represents a shift from compliance (“you must meet these standards or you won’t get the work”) to cooperation (“how we can as the client and you as the supplier work together to ensure that the standards we aspire to are met”).

To do this effectively requires a genuine two-way exchange. In most cases, suppliers will not be wilfully ignoring modern slavery risks; instead it may be the first time that they have been challenged to think about where such risks might be. Therefore, it is important to share information to help suppliers understand the risks and to provide appropriate ongoing support and advice. It is also important to listen to suppliers who raise challenges around the purchasing practices and conditions that they face.

This approach suggests four areas to develop.

### 1. Information for suppliers

Share helpful information with suppliers to explain why questions on modern slavery and hidden labour exploitation are being asked and how they can begin to self-assess their labour rights risks. See [Appendix A](#) for an example of the type of information that might be useful.

If further due diligence is needed, view this as an opportunity to increase awareness with a supplier, as well as an opportunity to gather information about potential risks. A conversation about labour rights can be a way to start establishing a relationship of trust. If it is clear that the supplier knows very little about this topic, it can help to follow up with relevant resources and guidance.

### 2. Nominated procurement contact

Nominate a procurement contact for each supplier so that they have someone outside the production that they’re working for to engage with about any issues they might have. For example, they may wish to flag issues such as unrealistic deadlines, illegal requirements, last minute changes or slow payment. However, many suppliers may be concerned about telling the production directly in case they lose preferred supplier status with those within productions who select suppliers. Instead, a willingness to share issues with central procurement should work in the suppliers’ favour and be recognised as a positive example of cooperation, particularly if it is highlighting poor purchasing practices. This will help procurement colleagues to identify potential systemic issues, as well as one-off incidents.

See [Appendix C](#) for further information about how purchasing practices can contribute to poor working conditions.

### **3. Anonymous reporting channel**

Ideally, there should be a good relationship with suppliers so that they feel able to flag issues. However, for suppliers concerned that raising problems will lead to a loss of contracts, there should be an accessible grievance mechanism where they can report problems anonymously. This mechanism should be communicated clearly to suppliers and be backed by a thorough process that investigates issues raised and acts on anything identified.

### **4. Ongoing supplier engagement**

A pre-approved supplier list represents a key audience of suppliers with a vested interest in engaging more closely with the broadcaster. This is an opportunity to use the power of a broadcaster to educate and inform suppliers as well as to listen to their collective experience in order to understand how the broadcaster's own purchasing practices can impact working conditions down the supply chains.

Examples of the types of engagement that can be run with suppliers on the pre-approved list:

- Regular emails – to update suppliers on any changes to standards, remind them of requirements, invite them to events and confirm who their nominated procurement contact is
- Webinars – to communicate changes to standards or address specific topics
- Supplier forums – to network with other suppliers, learn about forthcoming opportunities with broadcasters, discuss specific topics and share insights with procurement teams
- Training opportunities
- Surveys – to understand how purchasing practices might be having an impact on suppliers and their workers and to collate feedback or input on key themes and questions

# Appendix A: Example information sheet for suppliers to accompany the SAQ

## Guidance to suppliers on addressing labour exploitation risks

### What is labour exploitation?

- Exploitation can include under-payment or non-payment of wages, excessive working hours, unfair changes to contract terms, deception in recruitment and cutting corners on health and safety, working conditions or accommodation
- It can have both short and long-term impacts on the lives, health and livelihoods of workers
- In its most extreme form, labour exploitation can become modern slavery

### Examples of exploitative labour practices

- **Debt bondage** – when a person is forced to work to pay off a loan, often at high rates of interest for an indeterminate length of time
- **Wage abuse** – when wages are withheld from workers (e.g. through compulsory savings schemes that are then used to ‘cover costs’ or unexpected deductions)
- **Non-payment of minimum wage** – when workers work for below the Government’s National Minimum Wage <https://www.gov.uk/national-minimum-wage-rates>
- **Recruitment fraud** – when a person is recruited expecting a certain salary and working conditions only to find afterwards that the salary is much lower and/or the working conditions are not as expected but the person is at that point unable to leave
- **Removal of identity documents and travel papers** – when a person is recruited from overseas and then has their passport or other ID documents retained so that they are not able to leave
- **Compulsory overtime** – when a person is forced to work long hours for no additional pay and risk a penalty if they refuse

### Why have we asked you questions about modern slavery and labour exploitation?

- Every business is likely to be affected by modern slavery and labour exploitation, whether that is among their own workers, those providing services to the business or workers in supply chains for goods purchased.
- We ask that you are alert to the risks, that you check the practices of your suppliers and subcontractors and that, where possible, you put in place actions to mitigate the risks of labour exploitation slavery in your operations and those of your supply chains.
- Key questions to answer are ‘where within my operations and supply chains might there be one or more risk factors present?’ and ‘what can I do to mitigate the risks identified?’

### Risk areas for labour exploitation

- Where work involves low-skilled manual labour, casual labour, seasonal labour and/or work that is particularly physical, dirty or dangerous (NB skilled labour can also be at risk of exploitation)
- Where third party labour providers are involved such as labour agencies or recruiters
- Where there are supply chains for goods or labour that are long or complex
- Where work is low paid and/or carried out mainly by migrant workers
- Where purchasing practices from customers can reduce your ability to use trusted third parties, e.g. the need to meet tight deadlines or as a result of particular price pressures
- Sectors which are known to have experienced labour exploitation in the UK, which include construction, garments, manufacturing, waste management, cleaning, transport, security and food production
- Supply chains for materials known to feature forced, bonded or child labour, e.g. metals and minerals, stone, timber, agriculture, horticulture, aquaculture, clothing

### Recommended good practices

- A policy that includes an explicit reference to labour exploitation (it doesn't need to be a separate policy, but could be an amended existing policy)
- A requirement that this policy commitment is also actively communicated to your suppliers (not just available on a website)
- Additional checks and a focus on recruitment agencies
- A review of the risk factors related to labour exploitation and an assessment of which workers might fit into the vulnerability categories
- A set of mitigations that target the risks identified – e.g. using subcontractors that have permanent rather than temporary workforces; sourcing equipment from suppliers with shorter supply chains and good practices of their own in place
- A plan to review higher risk areas in more depth
- A way of making workers (both employees and those subcontracted to work) aware of their rights and of potential issues related to labour exploitation
- A way for workers (both employees and those subcontracted to work) to raise concerns about themselves or their colleagues that is anonymous, protects them from reprisal, is well known about and is trusted. This could be an external helpline.
- A response plan should an issue be found

### Where to go for further information / resources

- UK government resources on employing people: <https://www.gov.uk/browse/employing-people>, including those on contracts and working hours: <https://www.gov.uk/browse/employing-people/contracts>
- Verité's materials on forced labour and human trafficking: <http://www.verite.org/forced-labor>
- The US Government database on supply chain/country risks for child labour and forced labour - <http://www.dol.gov/ilab/reports/child-labor/list-of-goods/>
- The US Government's annual Trafficking in Persons report: <http://www.state.gov/j/tip/rls/tiprpt/>
- Global Slavery Index: <http://www.globallslaveryindex.org/>
- ILO database: [http://laborsta.ilo.org/MDTcountries\\_E.html](http://laborsta.ilo.org/MDTcountries_E.html)
- Guidance for SMEs on taking action to address labour exploitation and modern slavery: <https://www.stophetraffik.org/sme-toolkit/>
- The Business & Human Rights Resource Centre collates new stories and incidents relate to human rights. Importantly, it asks those accused of human rights abuses to respond to the allegations and publishes these alongside news articles. This is a good place to find case studies of modern slavery and how companies have responded: <http://business-humanrights.org/>
- Guidance to spot the signs of modern slavery: <https://modernslavery.co.uk/spot-the-signs.html>

## **Appendix B: Example question set for suppliers to TV productions**

1. Tell me about the work that you supply to TV productions – what is it and how is it generally carried out?
2. Our experience has shown that the most vulnerable workers tend to be low paid, low skilled, employed by an agency/labour provider or temporary/casual (i.e. in precarious work). Migrant workers also tend to be more vulnerable. Are there any members of your workforce that would fit any of those criteria?
3. How do you recruit workers? What checks do you perform? If you use agencies, how many and what checks do you perform on the agencies? How do you know whether recruitment fees are charged or not?
4. Are all your staff on permanent contracts? If not, tell me how you find temporary workers, what tasks they are used for and what conditions they work under.
5. Do you use zero hours contracts at all? If yes, please tell me about how you use them and whether all those working under such contracts have a copy of their employment Ts & Cs.
6. Are any of your workers self-employed? If yes, please tell me about their conditions of employment. Do you provide any support to people to help them register formally as self-employed?
7. In terms of working hours, what does the BAU job actually entail? Please explain if overtime is used and what expectations there are of workers in relation to overtime.
8. How do you manage shifts and make sure that workers are not working excessively long hours and have adequate time off in between shifts?
9. If working locations are variable, do you take account of travel time when looking at shift lengths and do you pay workers for travel time?
10. Are workers paid above the minimum wage and is there a premium paid for overtime? Is there a living wage policy and, if so, does this extend to temporary/agency workers?
11. Are any of your staff members of trade unions? If yes, what engagement do you have with their unions?
12. Do you subcontract work to any other companies? If yes, what checks do you do on those companies and what measures do you put in place to ensure that workers are properly engaged and supported?
13. If someone wanted to raise an issue (e.g. a grievance or concern for themselves or on behalf of a fellow worker), how would they do it and through which channels (or to whom)? What would happen next?
14. What expectations are there on your staff to report wrongdoing that they witness?
15. Are there any particular practices that you have put in place to support the welfare of those working for you?
16. What challenges do you face when working for TV productions in terms of their approaches, methods of engagement and expectations?

## Appendix C: Purchasing practices

There are a number of ways that purchasing practices can fail to uphold good practice in sourcing or actively work against it, increasing the chances of labour exploitation. These are practices that need to be guarded against.

### Clarity of contracts

If the standards required are not made clear in contracts with suppliers then they may not be aware of what is expected and it becomes much harder to hold them to account. Every supplier should have a written contract; every contract should reference responsible sourcing standards; and a copy of latest policies should be sent to the supplier alongside the contract so that the terms are clear. The more comprehensive the contract, the more stable and guaranteed the overall context in which the suppliers operate.

### Order placement and lead times

This timing of order placements directly influences the lead times that the suppliers have for preparing the volume of goods requested by the buyer. When lead times are reduced, suppliers must produce more rapidly, which they increasingly do by resorting to overtime, casual labour or outsourcing of production in order to meet their deadlines. Sometimes, short lead times are due to a lack of effective communication between suppliers and buyers or to differences in what buyers understand as real production times, e.g. while some buyers take production time from order placement, others take it from sample approval.

### Pressure to reduce prices

Suppliers may agree to below cost production in order to gain or retain a client.

### Changes to order

If contracts do not specify who would be responsible for the costs incurred when there are changes in orders then, if lots of changes are made, it is usually the supplier who has to bear the costs of changes and re-sampling, putting pressure on their margins.

### Accuracy of technical specifications

Unclear needs and inaccurate specifications from the buyer can lead to excessive sampling and extra costs, again putting a cost burden on the suppliers.

### Mixed messages and disincentives

Requiring suppliers to meet high standards on one hand whilst demanding reduced prices and failing to uphold those standards on the other gives mixed messages. Ensuring good standards in the supply chain may mean that it costs more to do business and this should be factored in from the outset.

All such pressures make it more likely that suppliers will cut corners and reduce their own costs any way they can, e.g. by reducing wages, using casual labour, outsourcing to subcontractors (whose lower costs make labour exploitation more likely), forcing excessive overtime from employees and reducing a focus on health and safety.

### Role that procurement can play

- Keep an eye out for these types of behaviours from buyers and remind them of the potential consequences for workers, as well as the legal, financial and reputational risks
- Use relationships with suppliers to enable them to flag problematic practices