



# Complementing the Social Auditing Process through Customized Risk Assessment Solutions

*UL offers customized risk assessment tools to complement a company's social compliance program and better inform their sourcing decisions.*

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## The Challenge

In today's increasingly vast and complex supply chain landscape, businesses face the dual challenges of time and resource constraints when managing the social and environmental compliance of its suppliers. Undoubtedly, one critical component of a responsible sourcing strategy includes onsite social compliance audits which offer meaningful real-time insights into ground conditions. Additionally, when met with limited time and resources, businesses may benefit from innovative complements to the social auditing process.

As a leading global media company with an extensive supply chain, NBCUniversal is committed to global sustainability with particular focus on supply chain transparency and risk management. Like many global businesses, NBCUniversal faced a growing supply chain that required insightful and timely supplier information to inform their sourcing decisions. Specifically, NBCUniversal sought a complement to their social auditing program that would efficiently discern high risk suppliers from low risk suppliers prior to engaging in onsite assessments.

## Solution

In 2011, UL's Responsible Sourcing group helped NBCUniversal develop a strategy and a set of risk assessment tools to complement their existing social compliance program while addressing their unique licensing business model. Together with NBCUniversal's corporate responsibility team, UL's risk identification and supply chain management experts provided the following advisory services:

- **Identified customized risk criteria** against which individual suppliers and brands would be evaluated upon to determine their alignment with NBCUniversal's social and environmental compliance standards.
- **Developed quantitative risk calculators** that incorporated customized risk criteria along with data from various social, economic, and political global indices. These calculators evaluated real-time factory or brand information within the context of country-level forces allowing NBCUniversal to objectively discern high risk suppliers from low risk suppliers.





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Today, UL's team of supply chain advisors continue to provide ongoing recommendations to NBCUniversal to help them evaluate supplier risk for non-compliances against NBCUniversal's customized criteria using UL tools and calculators developed for risk mitigation. UL delivers these recommendations in two main capacities:

- **Waiver Program:** The Waiver Program is designed to assess risk when engaging with potential direct suppliers. UL specialists with intimate knowledge about factory-level risks evaluate social audit reports and supporting documentation from suppliers. Through assessment of a customized risk calculator, these insights provide NBCUniversal visibility of suppliers who pose a higher risk to their supply chain than others. By waiving low risk suppliers, NBCUniversal can monitor and address issues with suppliers needing further consultation and remediation.
- **Exemption Program:** The Exemption Program is designed to assess risk when engaging with brands that have their own social compliance programs. UL's program specialists conduct rigorous research and evaluate the vigor of a brand's program to determine whether its entire supply chain can be exempt from NBCUniversal's social audit program. This enables NBCUniversal to quickly identify and confidently partner with vetted brands who are similarly committed to ensuring social and environmental responsibility within their supply chains.

### Results

Despite the pressures of time and resource constraints, businesses can find solutions to source responsibly and NBCUniversal is a prime example. Under the waiver program, UL's insights offer real-time visibility on factory status of social and environmental compliance while also considering the economic and political contexts within which suppliers and brands operate. Since the program's inception, UL's Responsible Sourcing group has evaluated hundreds of direct suppliers for waivers and dozens of brands for exemptions to NBCUniversal's social audit program.

Through these objective risk assessments, NBCUniversal is able to develop and maintain longer-lasting, reliable, and trustworthy business relationships while advancing responsible sourcing practices.

**NBCUniversal** owns and operates a valuable portfolio of news and entertainment television networks, a premier motion picture company, significant television production operations, a leading television stations group, world-renowned theme parks, and a suite of leading Internet-based businesses. NBCUniversal is a subsidiary of Comcast Corporation.

**UL is a leading global provider of responsible sourcing auditing and advisory services, which include supply chain monitoring, research and program development, and training. UL's Responsible Sourcing team has the global footprint to provide services in several countries.**

**For more information, email [RSinfo@ul.com](mailto:RSinfo@ul.com) or visit [ul.com](http://ul.com)**

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