SIG / TRANSPORT

Subcontractor Due Diligence Procedure

Risk-based checks for road haulage and courier supply partners

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Purpose: select and monitor suitable subcontractors without relying on assumptions about their insurance, licensing, labour practices or ability to carry particular goods. This procedure describes the process being introduced from its effective date; it is not evidence that checks occurred before that date.

1. Scope and ownership

Applies when SIG considers, approves, allocates work to or reviews independent transport subcontractors, including HGV hauliers and owner-drivers. The Director owns the procedure and decides on escalated approvals. The person arranging a booking must verify that the selected supplier is appropriate for that particular movement.

2. Proportionate risk classification

Level	Examples	Approach
Standard	Routine domestic courier or ordinary low-risk road transport	Basic supplier checks plus a booking-specific suitability review.
Enhanced	HGV, cross-border, high-value or unfamiliar carriers; complex onward subcontracting	Additional licence, insurance, cargo-value, operational and ethics checks.
Specialist	ADR, temperature-controlled, regulated, theft-attractive or unusual cargo; temporary storage	No assumption of coverage: written service-specific approvals and broker/carrier advice when needed.

3. Pre-onboarding checks

Before activating a new supplier for normal use, obtain and review evidence proportionate to the work. Where a document or response is incomplete, record the gap and do not allocate work that requires the missing evidence.

Check	Evidence or action
Identity and contact	Legal/trading name, registration details where applicable, business address, responsible contact, payment name and contact details.
Right to operate	Applicable operator licence and current authority, if the vehicle or activity requires one; verify where practicable with the relevant public register.
Driver and vehicle	Confirm appropriate vehicle, safe loading capability and the applicable driver licence, CPC and other legal competence evidence.
Insurance	Review motor, carriage liability/goods-in-transit and required Public/Employers' Liability certificates, limits, dates, main exclusions and subcontractor conditions.
Ethical expectations	Share the Supplier Code of Conduct; ask proportionate questions about recruitment, worker welfare and onward subcontracting.
Operations and controls	Confirm incident contact, POD/photo process, cargo security, communication, and any agreed vehicle or delivery-specific requirements.

4. Insurance and cargo value gate

SIG's insurance is not automatically a substitute for an individual haulier's cover, and a carrier certificate alone does not guarantee that a particular loss will be paid. Before accepting or allocating a higher-value or specialist job, compare the declared cargo characteristics and gross weight against the relevant contractual liability position, carrier policy and SIG's confirmed policy limits, exclusions and subcontractor conditions.

If the proposed liability or cargo value exceeds applicable cover, do not promise increased protection. Obtain a suitable alternative carrier, an insurer/broker-approved endorsement or separate cargo arrangement, or decline the booking. Record any specific written agreement with the customer and carrier before work begins.

5. Booking-specific acceptance gate

- Match the actual legal entity, authorised carrier, vehicle type and route to the accepted job; confirm payload, loading access, goods description, declared value and required handling.
- Check for any material expiry or missing compliance evidence, and confirm the particular insurance and territorial requirements are relevant to this movement.
- Agree prices, waiting, cancellation, POD, subcontracting and incident-notification obligations in the accepted instructions.
- For international or CMR movements, use the applicable compulsory law and agreed transport documents; do not treat a policy's headline monetary limit as a guarantee of full cargo value.

6. Red flags and escalation

Escalate suspected forged documents, expired cover, inconsistent trading identities, licence problems, repeated incidents, undisclosed onward subcontracting, poor vehicle maintenance or suspected forced labour. Record a factual summary; seek clarification and additional evidence as appropriate. Where there is serious risk, hold the allocation pending the Director's decision and take safeguarding or reporting steps as required.

7. Records, access and privacy

Keep a proportionate supplier record showing the documents reviewed, review date, expiry information, booking-specific exceptions, approvals and incident outcomes. Limit access to people who need the information, handle personal data lawfully and follow the applicable privacy/retention arrangements. Do not publish driver identity documents or private supplier insurance records on the public website.

8. Review and ongoing monitoring

Review active suppliers at least annually where the risk justifies it, and sooner where an insurance policy expires, licences change, a serious complaint occurs or the supplier takes on a different class of work. Review existing supplier records progressively as contracts renew. Request updated documents when needed; independent on-site audits are not claimed as part of the default process.

9. Simple decision record

Outcome	Required handling
Approved	Relevant checks complete for the types of jobs authorised; record approver and review/expiry dates.
Approved with limits	Restrict allocation to documented permitted categories, values, territories or vehicles.
On hold	Critical details missing, inconsistent or expired; do not allocate affected work.
Declined / suspended	Material non-compliance, unresolved serious risk or unsuitable capacity; document decision and inform relevant personnel.

10. Related policies and guidance

Related SIG documents: Modern Slavery & Human Trafficking Policy; Supplier Code of Conduct; current Standard Transport Services Agreement and Standard Conditions of Carriage (where relevant and validly incorporated). Government guidance on worker classification: www.gov.uk/government/publications/employment-status-and-employment-rights/employment-status-and-rights-checklist-for-employers-and-other-engagers

11. Practical onboarding record: minimum checklist

The following checklist can be used for a new supplier file. A checked item means evidence has actually been reviewed; it must not be marked complete merely because this procedure has been published.

Verification point	File note / action
Supplier identity	Registered/trading name and principal contact confirmed.
Licensing / legal status	Applicable operator or professional authorisation checked.
Insurance	Policy periods, relevant limits, exclusions and insurer/broker details reviewed.
Driver / vehicle suitability	Vehicle, load, territory, competence and safety requirements appropriate to intended work.
Modern slavery / ethics	Code shared; risk concerns assessed and escalated where relevant.
Booking conditions	Rates, cargo details, subcontracting restrictions, liability and POD requirements confirmed.
Approval record	Director/authorised reviewer, date, restrictions and next review trigger recorded.

This checklist is a working aid, not certification or evidence that any named supplier has already passed an audit.

Document ownership and review

Policy owner: Gergo Szemok, Director, SIG Transport Ltd. This is the first published edition, dated 11 November 2026. It is subject to operational adoption and implementation. Review at least annually, or sooner following material changes in law, business operations or identified risks.