BBC STUDIOS

This statement has been published on behalf of **BBC Studios Australia Holdings Pty Ltd** (**ABN: 85 127 624 104**, "**BBC Studios Australia"**) for the financial year ended March 31st 2022, in accordance with the Australian Modern Slavery Act 2018.

Introduction

<u>BBC Studios Australia</u> is a wholly owned Australian subsidiary of <u>BBC Studios Ltd</u>, the principal commercial subsidiary of the UK's publicly funded broadcaster the <u>BBC</u>. Our purpose is to create and distribute world-class content that informs, educates and entertains, strengthening the BBC both creatively and financially through our commercial activities.

In keeping with BBC values, we continue to have a strong commitment to ethical trading and corporate human rights. Our policies and procedures are largely set by our head office in the UK but are fully embedded within BBC Studios Australia, with key compliance procedures carried out by local teams.

BBC Studios' Chief Operating Officer has executive ownership of ethical trading on behalf of all Australian subsidiaries, including BBC Studios Australia. We are also supported by a dedicated team of subject matter experts in the UK who help guide our ethical trading activities.

Oversight of ethical trading risks is provided on a quarterly basis by the **Compliance and Risk Committee**ⁱ, made up of key members of the company's senior executive team.

We continue to be committed to the principles of cross-industry collaboration in tackling modern slavery and other forms of labour exploitation. Through our parent company, we are a member of the <u>TV Industry Human Rights Forum</u>, the <u>Ethical Trading Initiative</u> and <u>Sedex</u>, all of which are multi-stakeholder initiatives that bring together companies to tackle labour exploitation risks through shared approaches and actions.

Our business

Our commercial activities are divided into two lines of business: **Production & Distribution** and **Branded Services**ⁱⁱ.

Production & Distribution is responsible for the creation of programmes for the BBC and other content commissioners, as well as the subsequent commercial sale of titles in the UK secondary window and international market. It also licenses the intellectual property relating to our content to specialist third party companies, who produce live events and consumer products based on these programmes.

Branded Services brings these programmes to Australian audiences through broadcast on BBC branded channels and services, including BBC First, BBC Earth, BBC UKTV, Cheebies, BBC Brit and BBC Kids.

As BBC Studios Australia is a holding company which is used primarily for consolidated reporting, its production and distribution activities in Australia are carried out and managed in Australia through its subsidiary trading company: BBC Studios Australia Pty Ltd (ABN: 20 129 255 616). BBC Studios Australia's other subsidiary: BBC Studios Productions Australia Pty Ltd (ABN: 47 129 527 082) is dormant and was inactive for the financial year ending March 31st 2022.

These subsidiaries operate within the same compliance risk assessment framework as BBC Studios Australia Holdings Pty Ltd and the same consultation process has applied across these entities. They were consulted in the development of this statement.

Our office is located in Sydney and we have approximately 96 full-time employees.

Our operations and supply chains and associated forced labour risks

The supply chains for our operations and commercial activities are varied and complex. For example:

- Within our office, we contract with third parties for key services such as cleaning and security.
- Within Production, we rely on the services of freelancers to help make our programmes, supported by contractors such as riggers, caterers and security, as well as post-production houses for the editing of the finished programmes.
- In Distribution, we use the services of post-production houses in the UK to deliver our content to Australian broadcasters. For our live events business we work with licensees who contract with venues for our shows, who in turn often contract with labour service providers.
- Within consumer products, we work with a number of licensees who source a wide range of product types from manufacturers in Australia and other countries across the globe, with China remaining the most significant country of origin.

Our research this year shows that the most significant risk of forced labour remains within our licensees' global manufacturing supply chains, particularly when based in regions where the employment of migrant workers is common and regulated in contrast to best practice.

For example, migrant workers may be required to pay recruitment fees to labour agents to secure employment, which puts them at risk of debt bondage. They may also be required to lodge their identity papers with their employers restricting their ability to leave freely or have their movement restricted in line with a government policy.

Our approach to assessing our suppliers is therefore based on where the greatest risk of labour exploitation may be found. For more on this, see *Due diligence and risk management through our ethical trading programme* below.

Our policies in relation to modern slavery and forced labour

Central to the way in which we do business is the **BBC Studios Ethical Trading Policy**, which BBC Studios Australia has adopted. It is modelled on the ETI Base Code and makes reference to key **ILO Conventions & Recommendations**, in addition to key legislation and frameworks such as the **UK** and **Australian Modern Slavery Acts** and the **UN Guiding Principles on Business & Human Rights**.

It is a public document that can be viewed on our website and it forms part of all contracts with suppliers and licensees. It is reviewed regularly and updated as necessary.

The policy sets our requirements on labour standards within the supply chains of our licensees and suppliers and includes the requirement for appropriate remedy where workers' rights have been breached.

It is prefaced by a list of minimum standards that suppliers must meet and the first of these addresses forced labour.

Due diligence and effective risk management through our Ethical Trading Programme

BBC Studios operates an **Ethical Trading Programme** in order to assess and mitigate forced labour risks.

The programme incorporates principles of due diligence and risk management, using independent data sources to help identify those areas of our operations and supply chains where risks of exploitation may be greater. These risks will often depend on the geographical region and/or sector where our activities are taking place and so we manage our response accordingly.

We promote a continuous improvement approach to supply chain management, acknowledging that not everyone is immediately able to meet our standards in full. However, we have a zero-tolerance approach to the most serious rights abuses, as set out in our minimum standards, and these must be addressed before BBC Studios can begin to work with a supplier.

The wide range of products made by our licensed consumer products businesses are sourced from manufacturers all over the world, often in countries where the risk of poor labour practices may be higher. As such, the factories that form these supply chains are a key area of focus for the business. As a licensor we do not select factories ourselves but work closely with our licensees to assess their chosen factories in order to identify and rectify areas of concern.

As part of this ongoing assessment process, BBC Studios utilises independent ethical trade audits for sites located in higher risk countries and sectors and employment profile assessments (EPAs) in lower risk territories. EPAs help identify any risk indicators of forced labour and other serious issues to determine if further due diligence may be required.

All first tier manufacturing sites must go through this assessment process and our product approval system is linked to our ethical trading policy database; if a manufacturing site has not been approved then production approval cannot be granted. This link helps drive the effectiveness of our programme as it motivates licensees and suppliers to make improvements to working conditions within their supply chains.

Our programme also includes the use of secondary, forensic assessments to enhance our due diligence procedures when possible. These assessments are carried out by independent labour standards experts and accompanied by members of our internal team.

Speak up culture

BBC Studios Australia has a Code of Conduct programme which promotes a "speak up" culture. We provide a variety of reporting channels for employees and third parties to raise concerns related to modern slavery and labour exploitation. In the previous financial year no reports were received related to these issues. See *Updates to BBC Studios' grievance mechanisms* below for more information.

Our actions in the last financial year

In 2021/22, BBC Studios Australia undertook the following actions to further mitigate the risks of exploitation within our operations and supply chains:

Update on Covid-19 response

The impact of Covid-19 continued to be felt in many key sourcing countries over 2021/22 resulting in BBC Studios Australia and the central ethical trading team working with licensees and suppliers to ensure that appropriate due diligence remained in place at impacted manufacturing sites. In-person audits continued where appropriate with virtual audits being accepted where restrictions were in place. Supplementary documentation and evidence was requested where available to support virtual audits and provide further assurances around forced labour and other labour exploitation risks.

Updates to BBC Studios' grievance mechanism

In line with the wider business, BBC Studios Australia's whistleblowing line and grievance mechanism was updated in the past year providing a hotline as well as mobile and online options for employees and third parties to raise concerns. This update has improved accessibility for disabled workers, non-English speakers and non-office based workers as well as allowing for reporting from a larger geographical region than previously available. An awareness campaign was initiated in our Sydney headquarters to communicate the change and embed it with the workforce.

Research on vulnerable populations in our supply chains

In response to the increasing risks of forced labour for vulnerable populations around the globe, the central ethical trading team undertook research to better understand the potential impacts of these risks in our wider supply chains. Key learnings from this work have been incorporated into the risk assessment and mitigation processes of the business.

Modern Slavery training

Building on the Code of Conduct e-learning introduced last year, the central ethical trading team introduced a variety of online workshops to support BBC Studios Australia and key partners in extending their understanding of the BBC Studios Ethical Trading Policy and Programme. Training is supplemented by a range of ethical trading guidance documents for colleagues and external partners.

Looking ahead

Building on previous work, BBC Studios Australia will look to improve ethical trading processes for service providers in business areas where forced labour and other forms of labour exploitation have been identified as higher risk.

Led by the central ethical trading team, BBC Studios will continue its work to monitor the risks faced by vulnerable populations in our global supply chains and leverage any learnings to improve our controls.

We will continue to enhance our ethical trading training and awareness materials over the coming year to better support the business on the topics of modern slavery and labour exploitation.

BBC Studios will continue to engage with industry organisations to support and participate in collaborative responses whenever possible.

This statement was approved by the BBC Studios Limited Board on August 9th, 2022.

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Tom Fussell

Director, BBC Studios Limited

09 August 2022

¹ As of April 1st 2022, the Compliance and Risk Committee was reformed as the BBC Studios Operations Committee with the BBC Studios' COO and key members of the senior executive team remaining as Chair and members.

ii As of FY2022/2023, the Branded Services business has been renamed Channels and Streaming.